

State of Tennessee Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243 **www.tn.gov/hsda** Phone: 615-741-2364/Fax: 615-741-9884

August 1, 2013

David Thomas, Director, Cancer Center Maury Regional Medical Center 1224 Trotwood Avenue Columbia, TN 38401

RE: Certificate of Need Application -- Maury Regional Hospital d/b/a Maury Regional

Medical Center - CN1307-026

Dear Mr. Thomas:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for the relocation of two (2) linear accelerators and a mobile positron emission tomography (PET) scanner from the main Maury Regional Medical Center campus at 1224 Trotwood Avenue, Columbia (Maury County), TN to Maury Regional Cancer Center located at 808 South James Campbell Blvd, Columbia (Maury County), TN. As part of the project, MRMC will replace one of its linear accelerators. The estimated project cost is \$7,742,231.00.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on August 1, 2013. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 23, 2013.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Melanie M. Hill Executive Director

Molan While

MMH:mab

cc: Dan Henderson, Director, Division of Health Statistics



State of Tennessee Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243 www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

MEMORANDUM

TO:

Dan Henderson, Director

Office of Policy, Planning and Assessment

Division of Health Statistics Cordell Hull Building, 6th Floor

425 Fifth Avenue North Nashville, Tennessee 37247

FROM:

Melanie M. Hill

Executive Director

DATE:

August 1, 2013

RE:

Certificate of Need Application

Maury Regional Hospital d/b/a Maury Regional Medical Center -

CN1307-026

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on August 1, 2013 and end on October 1, 2013.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:mab

Enclosure

cc: David Thomas, Director, Cancer Center



LETTER OF INTENT LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Columbia Daily Herald, which is a newspaper of general circulation in Maury County, Tennessee, on or before July 8, 2013, for one day.

This is to provide official notice to the Tennessee Health Services and Development Agency ("Agency") and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Agency, that Maury Regional Hospital d/b/a Maury Regional Medical Center, a hospital owned by Maury County, TN, intends to file an application for a Certificate of Need to relocate two linear accelerators and a mobile positron emission tomography scanner from the main hospital campus to Maury Regional Cancer Center, at 808 South James Campbell Boulevard, Columbia, TN, 38401. Maury Regional Medical Center will also replace one of the linear accelerators. The project will require approximately 10,736 square feet of renovation construction. The project will not result in an increase of licensed hospital beds or the initiation of any service requiring certificate of need. The total project cost is estimated to be \$7,742,231. Maury Regional Medical Center is located at 1224 Trotwood Avenue, Columbia, TN, 38401.

The anticipated date of filing the application is July 12, 2013. The contact person for this project is David Thomas, who may be reached at Maury Regional Medical Center, 1224 Trotwood Avenue, Columbia, TN, 38401, (931) 380-4057.

Dovid Thomas

July 8, 2013 dthomas@mauryregional.com

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency Andrew Jackson Building 500 Deaderick Street, Suite 850 Nashville, Tennessee 37243

Pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.



Orthopedic Surgery & Sports Medicine

C. Douglas Wilburn, MD
Randall L. Davidson, Jr., MD
Jeffrey T. Adams, MD
J. Fredrick Wade, MD
A. Lee Hunter, Jr., MD
Scott W. McCall, MD
Jonathan R. Pettit, MD

Physical Medicine & Rehabilitation

Charles S. Kim, MD

Administration

Fred Drews
Chief Executive Officer

Emeritus

Eslick E. Daniel, MD Kenneth L. Moore, MD

1050 N. James Campbell Blvd. • Suite 200 • Columbia, TN 38401 • Phone 931-381-BONE (2663) • Fax 931-380-0513 • www.mtbj.net

2013 AUG

July 31, 2013

Ms. Melanie Hill, Executive director Health Service and Development Agency 161 Rosa L. Parks Blvd., Third Floor Nashville, TN 37243

Dear Ms. Hill:

Please accept this letter in support of the NHC/Maury Regional Transitional Care Center and its planned replacement and relocation of the existing nursing facility. I have practiced orthopedics in Maury County for 20 years. The evolution of orthopedic rehab has led many patients not only to survive injuries such as hip fractures, but also hope and expect return to a quality life after recovering from hip fractures. Also, the growing number of elderly people in need of hip and knee replacements along with technology has dramatically improved these patient's ability to return to independent life without pain. Nursing facilities such as the one planned will dramatically shift the ability of our county to provide aggressive, state of the art rehabilitation to patients recovering from these procedures. With the newer facility and state of the art rehabilitation, patients can look forward not only to recovery, but recovery at a quicker pace and with goals that include returning to normal independent and productive lives.

I strongly support application for the certificate of need application and greatly appreciate your consideration of my letter in this request.

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Sincerely,

Joseph F. Wade, M.D.

JFW/kaa

DT: 7/31/13



State of Tennessee Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

July 23, 2013

David Thomas Maury Regional Medical Center Director, Cancer Center 1224 Trotwood Avenue Columbia, TN 38401

RE: Certificate of Need Application CN1307-026

Maury Regional Medical Center - Relocation of (2) Linear Accelerators and (1)

PET

Dear Mr. Thomas,

This will acknowledge our July 12, 2013 receipt of your application for a Certificate of Need for the relocation of two (2) linear accelerators and a mobile positron emission tomography (PET) scanner from the main Maury Regional Medical Center campus of 1224 Trotwood Avenue, Columbia (Maury County), TN to Maury Regional Cancer Center located at 808 South James Campbell Blvd, Columbia (Maury County), TN. As part of the project, MRMC will replace one of its linear accelerators.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

<u>Please submit responses in triplicate by 4:00 pm., Tuesday, July 30, 2013.</u> If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section A, Applicant Profile, Item 13

Please clarify if the applicant contracts with TennCare Select.

2. Section B, Project Description, Item II.

Please provide a general description of the Columbia Mall. Is the applicant the only medical service provider currently in the Columbia Mall? If not, please list other medical providers.

3. Section B, Project Description, Item II.

Please describe the construction, modification, and/or renovation of the facility including major operation area, room configuration, etc. Please also discuss and justify the cost per square foot for this project.

4. Section B, Project Description, Item II.A

The applicant states that shelled space for a future fixed PET/CT is included in the project cost. The projected PET scan utilization for the proposed project in 2016 is 364 scans. According to the State Health Plan, Standards and Criteria for PET scanners, the optimal efficiency for a stationary PET unit is 80 percent of total capacity, or 1,600 procedures per year. At what point in time does the applicant expect the demand to be adequate to justify purchasing an additional PET scanner for the shelled space?

5. Section C. Need Item 1. (Specific Criteria - Construction, Renovation)

Please list and provide a response to each of the questions in the criteria and standards for Construction and Renovation. If the response it not applicable, please list that under the applicable question.

6. Section C. Need Item 4. (Service Area Demographics)

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for your proposed service area.

Variable	Giles	Hickman	Lewis	Marshall	Maury	Perry	Wayne	Williamson	TN
	Co.	Co.	Co.	Co.	Co.	Co.	Co.	Co.	
Current Year (CY), Age 65+									
Projected Year (PY), Age									
65+									
Age 65+, % Change									
Age 65+, % Total (PY)									
CY, Total Population									
PY, Total Population									
Total Pop. % Change									
TennCare Enrollees									
TennCare Enrollees as a %									
of Total Population									
Median Age									
Median Household Income									
Population % Below									
Poverty Level									

7. Section C, Economic Feasibility, Item 3

Please compare the cost per square foot of construction to similar hospital projects approved by the Agency. Please refer to the applicant's toolbox located at the Health Services and Development Agency's web-site at:

 $\frac{http://tennessee.gov/hsda/applicants_tools/docs/Construction\%20Cost\%20Pe}{r\%20Square\%20Foot\%20charts-0911.pdf}$

8. Section C, Economic Feasibility, Item 4. (Historical Data and Projected Data Chart)

Line D.7 under Net Operating Revenue in the Historical Data Chart appears to be a duplicate of line D.8 Other Expenses for 2010, 2011, and 2012. Please clarify.

Please complete revised Historical and Projected Data Charts that have fields for management fees. The revised charts are included with these supplemental questions.

9. Section C., Economic Feasibility, Item 5. Project's Average Gross Charge, Average Deduction from Gross Operating Revenue and Average Net Charge

Your response is noted. Please recalculate the Average Deduction from Gross Operating Revenue and Average Net Charge for PET.

10. Section C., Economic Feasibility, Item 6 A. and 6 B.

Your response is noted. Please list questions 6 A. and 6 B. and provide a response underneath each question, respectively. Please compare the proposed gross charges per Procedure/Treatmen for PET and Linear Accelerator equipment by referring to The Health Services and Development Agencies' applicant's web based toolbox web located at http://tennessee.gov/hsda/applicants_tools/docs/quartile-med%20equip-2010.pdf

11. Section C., Economic Feasibility, Item 9

The table calculating gross charges for Radiation Therapy appears to be incorrect. Please recalculate and provide a replacement page if necessary.

12. Section C., Economic Feasibility, Item 11 a.

Please provide a response to question 11 a.

13. Section C., Contribution to Orderly Development, Item 1

Your response is noted. Please list all existing health care providers the applicant has or plans to have contractual transfer agreements with.

14. Section C., Contribution to Orderly Development, Item 3

The applicant's hourly Registered Nurse rate of \$24.00 per hour is below the average Tennessee Workforce and Development agency rate of \$27.77 per hour. This is equal to 15.7% below the average RN wage. Please discuss the availability of Registered Nurses that will work below the average rate per hour for the proposed project. In your response please discuss the applicant's turnover rates for RNs.

15. Section C., Contribution to Orderly Development, Items 7 and 9

Please provide a response other than "n/a" to questions 8 and 9.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void."

For this application the sixtieth (60th) day after written notification is September 20, 2013.

If this application is not deemed complete by this date, the application will be deemed void.

Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Resubmittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the <u>next review cycle</u>, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. \Rightarrow 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Mr. David Thomas July 23, 2013 Page 5

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Philip M. Earhart Health Services Development Examiner

NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES

Give The	e info	HISTORICAL DATA CHART rmation for the last <i>three (3)</i> years for which complete data I year begins in (Month).		r the facility or ag	jency.
			Year	Year	Year
Α.	Utili	zation Data (Specify unit of measure)			
B.	Rev	enue from Services to Patients			
	1.	Inpatient Services	\$	\$	\$
	2.	Outpatient Services			
	3.	Emergency Services			
	4.	Other Operating Revenue (Specify)			
		Gross Operating Revenue	\$	\$	\$
C.	Ded	uctions from Gross Operating Revenue			
	1.	Contractual Adjustments	\$	\$	\$
	2.	Provision for Charity Care		a :	,
	3.	Provisions for Bad Debt	s 0	-	
		Total Deductions	\$	\$	\$
NET	OPE	RATING REVENUE	\$	\$	\$
D.	Оре	rating Expenses			
	1.	Salaries and Wages	\$	\$	\$
	2.	Physician's Salaries and Wages			
	3.	Supplies	·		
	4.	Taxes		: 	
	5.	Depreciation			
	6.	Rent	=====		
	7.	Interest, other than Capital	·		
	8.	Management Fees:			
		a. Fees to Affiliates	*		
		b. Fees to Non-Affiliates	; <u> </u>		
	9.	Other Expenses – Specify			
		Total Operating Expenses	\$	\$	\$
E.	Oth	er Revenue (Expenses) – Net (Specify)	\$	\$	\$
NET	ГОРЕ	ERATING INCOME (LOSS)	\$	\$	\$
F.	Сар	ital Expenditures			
	1.	Retirement of Principal	\$	\$	\$
	2.	Interest			
		Total Capital Expenditures	\$	\$	\$

PROJECTED DATA CHART

Give information for the two	(2) years	following	the completion	of this proposal.	The fiscal year	begins ir
(Month).						

-		(Wellan).		Year	Year
A.	Util	ization Data (Specify unit of measure)			
В,		venue from Services to Patients			2
	1.	Inpatient Services		\$	\$
	2.	Outpatient Services			
	3.	Emergency Services			
	4.	Other Operating Revenue (Specify)			
		Gross Op	erating Revenue	\$	\$
C	Dec	ductions from Gross Operating Revenue			
	1.	Contractual Adjustments		\$	\$
	2.	Provision for Charity Care			
	3.	Provisions for Bad Debt			-
			Total Deductions	\$	\$
NET	OPE	ERATING REVENUE		\$	\$
D.	Оре	erating Expenses			
	1.	Salaries and Wages		\$	\$
	2.	Physician's Salaries and Wages			
	3.	Supplies		/	
	4.	Taxes			
	5.	Depreciation		·	
	6.	Rent		:	
	7.	Interest, other than Capital			
	8.	Management Fees:			
		a. Fees to Affiliates		(
	0	b. Fees to Non-Affiliates			
	9,	Other Expenses – Specify		A	<u> </u>
_	OII	and the second	erating Expenses	\$	\$
E.		er Revenue (Expenses) Net (Specify)_		\$	\$
		ERATING INCOME (LOSS)		\$	\$
F.,		oital Expenditures			
	1.	Retirement of Principal		\$	\$
	2.	Interest		·	
		·	tal Expenditures	\$	\$
		RATING INCOME (LOSS) PITAL EXPENDITURES		\$	\$

HISTORICAL DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year	Year	Year
1.	\$	\$	\$
2.	X 		-
3.			-
4.			
5.	-		
6.		S	
7.			-
Total Other Expenses	\$	\$	\$

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year	Year
1,	\$	\$
2.		
3.	-	
4.	-	
5.		
6.	-	
7.,		
Total Other Expenses	\$	\$

COPY-Application **Maury Regional** Hospital d/b/a Maury regional Med. Ctr. CN1307-026

BUTLER | SNOW 2013 JUL 12 PM 2 16

July 12, 2013

Via hand delivery
Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa Parks Blvd.
Nashville, TN 37243

RE:

Maury Regional Medical Center - Relocation of Linear Accelerators and Mobile

PET

Dear Ms. Hill:

Please find enclosed the original and two copies of the Certificate of Need Application referenced above, along with the filing fee of \$17,381.

Thank you for your attention to the enclosed.

Sincerely,

BUTLER, SNOW, O'MARA, STEVENS &

CANNADA, PLLC

Sarah Lodge Tally

SLT/mar

Enclosures

16976526ButlerSnow

MAURY REGIONAL MEDICAL CENTER

1224 TROTWOOD AVENUE COLUMBIA, TN 38401

A11960

403447

			••••		
DATE	INVOICE NO.	PURCHASE ORDER NO.	AMOUNT OF INVOICE	DEDUCTIONS	BALANCE
07/03/13	CON FILING FEE	RAD ONC & PET RELO	17381.00	0.00	17381.00

WARNING - THIS CHECK IS PROTECTED BY SPECIAL SECURITY GUARD PROGRAM™ FEATURES

MAURY REGIONAL MEDICAL CENTER 1224 TROTWOOD AVENUE COLUMBIA, TN 38401 FIRST FARMERS & MERCHANTS BANK

403447 87-811/641

VOID AFTER 90 DAYS DATE

07/03/13

AMOUNT

* * * \$17381.00

OPERATING FUND ACCOUNT

PAY TO THE ORDER OF TN HEALTH SERV & DEVELOPEMENT AGNCY 161 ROSA L. PARKS BLVD. NASHVILLE, TN 37243

SENSITIES OF SENSI

M. Da Dom

THIS CHECK CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

#403447# #O64108113#

SEVENTEEN THOUSAND THREE HUNDRED EIGHTY-ONE 007100

98 872531

1,,	Maury Regional Hospital d/b/a Maury R	2013	
	1224 Trotwood Avenue Street or Route		<u>Maury</u> County
	Columbia	TN	38401
	City	State	Zip Code
2.	Contact Person Available for Respon	nses to Questions	
	David Thomas	Direct	tor, Cancer Center
	Name		Title
	Maury Regional Medical Center Company Name	dthor	nas@mauryregional.com Email address
	1224 Trotwood Avenue	Columbia	TN 38401
	Street or Route	City	State Zip Code
	employee	931-380-4057	931-540-4224
	Association with Owner	Phone Number	Fax Number
3.	Owner of the Facility, Agency or Inst	titution	
	Maury County		931-380-4057
	Name		Phone Number
	1224 Trotwood Avenue		Maury
	Street or Route		County
	<u>Columbia</u> City	State	38401 Zip Code
4.	Type of Ownership of Control (Chec	k One)	
	A. Sole Proprietorship B. Partnership C. Limited Partnership D. Corporation (For Profit) E. Corporation (Not-for-Profit) Private Act at Attachment A.4.	F. Government Political Subc G. Joint Venture H. Limited Liabil I. Other (Specif	ity Company

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5.	Name of Management/Operating E	Entity (If App	olicable)		
	n/a Name				 5
	Street or Route		<u>.</u>	County	
	City	St	ate	Zip Code	-
	PUT ALL ATTACHMENTS AT T REFERENCE THE APPLICABLE IT				AND
6.	Legal Interest in the Site of the Ins	stitution (Ch	eck One)		
	A. OwnershipB. Option to PurchaseC. Lease of 10 Years		Option to Lea Other (Specif		
	Lease at <u>Attachment A.6</u> .				
	PUT ALL ATTACHMENTS AT THE REFERENCE THE APPLICABLE IT				RAND
7.	Type of Institution (Check as appr	ropriatemo	re than one re	esponse may apply)	
	 A. Hospital (Specify) acute care B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty C. ASTC, Single Specialty D. Home Health Agency E. Hospice F. Mental Health Hospital G. Mental Health Residential Treatment Facility H. Mental Retardation Institutional Habilitation Facility (ICF/MR) 	J. K. L. M. N. O. P. Q.	Recuperation Rehabilitation Residential H Non-Resident Facility Birthing Cente Other Outpat (Specify) Other (Specif	agnostic Center Center Facility ospice tial Methadone er ient Facility	
8.	 Purpose of Review (Check as app A. New Institution B. Replacement/Existing Facility C. Modification/Existing Facility D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) E. Discontinuance of OB Services F. Acquisition of Equipment 	G.	Change in Be [Please note by underlining response: Ind Designation, Conversion, I Change of Lo	ed Complement the type of change g the appropriate crease, Decrease, Distribution, Relocation]	X

9.	Bed Complement Data Please indicate current and p	oroposed dist	ribution	and cer	tification	of facility	beds.
	·	•	Curren <u>Licensed</u>		Staffed <u>Beds</u>	Beds <u>Proposed</u>	TOTAL Beds at Completion
	A. Medical		_127_	0_	_95_	_0	127
	B. Surgical		<u>53</u>	0	_52	_0	_53
	C. Long-Term Care Hospital						
	D. Obstetrical		<u>_26</u>	_0	_24	_0	_26
	E. ICU/CCU		<u>24</u>	_0	_24	0	_24
	F. Neonatal		_8	_0	8	0	8
	G. Pediatric		<u> 17</u>	_0	_12	_0	_17
	H. Adult Psychiatric						
	I. Geriatric Psychiatric						
	J. Child/Adolescent Psychiatr	IC					
	K. Rehabilitation				10	0	20
	L. Nursing Facility (non-Medicaid		_20	_0	<u>19</u>	_0	_20_
	M. Nursing Facility Level 1 (MeN. Nursing Facility Level 2 (Me			-			-
	O. Nursing Facility Level 2	dicare only)	2	*****			3======
	(dually certified Medicaid/Medicare)					
	P. ICF/MR	,					
	Q. Adult Chemical Dependence	;y					
	R. Child and Adolescent Chen	nical					
	Dependency					·	() ()
	S. Swing Beds				27	-	
	T. Mental Health Residential	Treatment					
	U. Residential Hospice						
	TOTAL		<u>275</u>	_0	_234_	_0	<u>275</u>
	*CON-Beds approved but not yet i	n service					
10.	Medicare Provider Number	044-0073					
	Certification Type	Acute Care F	lospital				
11.	Medicaid Provider Number	044-0073					
3.2	Certification Type	Acute Care F	lospital				
				c		Nom Modia	aid2 m/a
12.	If this is a new facility, will co						
13.	Identify all TennCare Manage (MCOs/BHOs) operating in treatment of TennCare particidentify all MCOs/BHOs with AmeriGroup Community Care	the proposed cipants? <u>Yes</u> which the ap e, United Hea	I service If the r plicant h Ithcare (A	e <i>area.</i> V response las cont AmeriCh	Vill this e to this racted o oice), ar	project ir item is yo r plans to nd BlueCa	es, please contract.
	TennCare MCOs operating in						-
	Discuss any out-of-network	relationships	ın place	with MC	US/BHC	s in the a	rea.

NOTE: Section B is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. Section C addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

<u>Project Description</u>: Maury Regional Medical Center proposes to relocate its radiation therapy and mobile PET/CT services from the main hospital campus to a site in a retail shopping center at which it already provides cancer services, including outpatient infusion and physician offices. This move will create a full-service cancer center in a convenient location for patients. As part of this project, MRMC will replace one of its linear accelerators. Additionally, MRMC will shell space for a future fixed PET/CT scanner.

Applicant Background: MRMC is a governmental, not-for-profit hospital created by private act in 1949. MRMC operates Marshall Medical Center, Wayne Medical Center, and Lewis Health Center. In addition, MRMC is a member of the Vanderbilt Health Affiliated Network. MRMC's primary service area is Giles, Hickman, Lawrence, Lewis, Marshall, Maury, Perry, Wayne, and Williamson Counties.

MRMC Radiation Therapy Services: MRMC provides external beam radiation therapy including Intensity Modulated Radiation Therapy (IMRT), 3D conformal therapy, Stereotactic Body Radiation Therapy (SBRT), and Stereotactic Radiosurgery (SRS). MRMC also provides High Dose Rate brachytherapy (HDR) as well as radioactive seed implantation for the treatment of prostate cancer. MRMC utilizes low dose image guidance, including cone beam CT (CBCT) in order to more precisely target the tumor during treatment and utilizes respiratory gating during the simulation process to better target lung tumors that move during respiration.

<u>Need</u>: MRMC cannot create a full-service cancer center on the main hospital campus because there is not enough space. Relocation will allow MRMC to provide cancer patients with a full-service cancer center, including radiation therapy, chemotherapy, and diagnostic CT/PET. Patients who require lengthy chemotherapy infusions will be able to receive their radiation treatment while their chemotherapy is being infused, which will save time and improve the overall patient experience. Patients will have more space and privacy at the cancer center. Also, the new location will provide easier parking for the patients.

<u>Project Cost</u>: The project cost is \$7,742,231. The project will be funded by the cash reserves of MRMC. A letter from MRMC's CFO, Nick Swift, is attached as Attachment C. Economic Feasibility. 2.

- II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.
 - A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

MRMC will create a full-service cancer center by relocating radiation therapy and PET/CT services from the main hospital campus to its existing cancer center at the Columbia Mall. As part of the proposed project, MRMC will replace one of its linear accelerators. MRMC will shell space for a future fixed PET/CT scanner; this cost is included in the project cost. The project includes renovation of 10,736 square feet at the Columbia Mall. The renovation cost is approximately \$232.86 per square foot.

Maury Regional Cancer Center ("MRCC") is currently home to Family Health Group (FHG) Oncology, Outpatient Infusion Clinic, and the American Cancer Society Cancer Resource Center. FHG Oncology is a group of board-certified medical oncologists with more than 60 years of combined experience in treating oncology patients. They work closely with surgeons and radiation oncologists to provide a comprehensive treatment plan for each patient. The Outpatient Infusion Clinic at Maury Regional Cancer Center offers an extensive array of parenteral therapy services for patients, delivered by a highly skilled medical team. The Infusion Center registered nurses are certified to deliver bio-chemotherapy. MRCC has an on-site pharmacy where a pharmacist insures precise dosing and mixing of chemotherapy. The Infusion Clinic is also backed by an accredited laboratory and blood bank that is Joint Commission certified. Services include:

- Biological response modifiers
- Central line catheter care
- Chemotherapy
- Hydration therapy
- Intravenous antibiotics
- IV anti-emetic care
- IV immune globulin
- Intramuscular and subcutaneous injections

- Monoclonal antibodies
- Therapeutic phlebotomy
- Transfusion of blood products,

Maury Regional Cancer Center will utilize Healthcare Provider Basic Life Support (BLS) for emergencies. All registered nurses and nurse technicians will be trained in Healthcare Provider BLS per American Heart Association protocol. An AED is available in the Cancer Center and is used as part of this protocol. Emergency Medical Services will be activated as part of the BLS protocol for Advanced Cardiac Life Support and will provide ambulance transportation to Maury Regional Medical Center Emergency Room as needed.

Inpatients who require radiation therapy services and/or PET services will be transported to the Cancer Center via ambulance. Coordination of care during the patient's visit at the Cancer Center will take place between the nursing staff at the Cancer Center and the responsible charge nurse at the hospital.

There are no set plans for the space that is to be vacated at MRMC. Possible uses for that space are being evaluated.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services. *n*/*a*

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing	Existing	Temporary	Proposed Final	Pro Sqt	Proposed Final Square Footage	- e	u.	Proposed Final Cost / SF	
	Location	ņ	Location	Location	Renovated	New	Total	Renovated	New	Total
Gamma Vault	hospital	176	n/a	395	395	n/a	395	\$464.25	n/a	\$464.25
PET/CT Room	mobile	n/a	n/a	416	416	n/a	416	\$240.38	n/a	\$240.38
CT Sim. Room	hospital	400	n/a	347	347	n/a	347	\$288.18	n/a	\$288.18
Linear Accelerator Vaults	hospital	1,164	n/a	2,154	2,154	n/a	2,154	\$464.25	n/a	464.25
Total Support Areas	hospital	5,260	n/a	3,760	3,760	n/a	3,760	\$150.41	n/a	\$150.41
Total Exam Areas	hospital	462	n/a	350	350	n/a	350	\$150.41	n/a	\$150.41
	0/0	7 462	6/4	7 422	7 422	6/0	7 422			
b. OffivDepail. Gor Sub-Total	ש - -	7,407	<u>ا</u> ا	774,1	774,	2	774.			
	š									
C. Mechanical/ Electrical GSF	n/a	n/a	n/a	Rooftop	Rooftop	n/a	Rooftop			
D. Circulation /Structure GSF	n/a	n/a	n/a	3,314	3,314	n/a	3,314	\$150.41	n/a	\$150.41
E. Total GSF	n/a	7,462	n/a	10,735	10,736	n/a	10,736	\$232.86	n/a	\$232.86

- C. As the applicant, describe your need to provide the following health care services (if applicable to this application): n/a. MRMC is not initiating any service.
 - 1. Adult Psychiatric Services
 - 2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
 - 3. Birthing Center
 - 4. Burn Units
 - 5. Cardiac Catheterization Services
 - 6. Child and Adolescent Psychiatric Services
 - 7. Extracorporeal Lithotripsy
 - 8. Home Health Services
 - 9. Hospice Services
 - 10. Residential Hospice
 - 11. ICF/MR Services
 - 12. Long-term Care Services
 - 13. Magnetic Resonance Imaging (MRI)
 - 14. Mental Health Residential Treatment
 - 15. Neonatal Intensive Care Unit
 - 16. Non-Residential Methadone Treatment Centers
 - 17. Open Heart Surgery
 - 18. Positron Emission Tomography
 - 19. Radiation Therapy/Linear Accelerator
 - 20. Rehabilitation Services
 - 21. Swing Beds
- D. Describe the need to change location or replace an existing facility.

MRMC will create a full-service cancer center at Columbia Mall. Relocation will allow cancer patients to access radiation therapy, chemotherapy, and diagnostic CT/PET in the same location. Patients will be able to receive their chemotherapy and radiation treatments concurrently. Care givers will have immediate access to radiation oncology and medical oncology, which will enhance coordination of care. Patients will benefit from an increased number of exam rooms, a family counseling room, larger waiting rooms, and a more private setting for cancer care discussions and financial counseling. Also, the new location will provide easier parking for the patients and minimize the distance that patients and their families must walk to access the building.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$2.0 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

n/a. MRMC is not acquiring any new major medical equipment. It is simply relocating and replacing existing equipment.

- 1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 - 1. Total cost; (As defined by Agency Rule).

- 2. Expected useful life;
- 3. List of clinical applications to be provided; and
- 4. Documentation of FDA approval.
- b. Provide current and proposed schedules of operations.
- 2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
- 3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

MRMC is only replacing existing equipment; however, in an effort to provide the Agency with complete information, the applicant has included the vendor quotation for the replacement linear accelerator and the lease for the mobile PET/CT. These are attached as Attachment B.II.E.3.

- III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:
 - 1. Size of site (in acres);
 - 2. Location of structure on the site; and
 - 3. Location of the proposed construction.
 - 4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for <u>all</u> projects.

The plot plan is attached as Attachment B.III.(A).

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Patients will be able to access the proposed location by exiting James Campbell Blvd. onto either Shady Brook Street or Brookmeade Drive. The center is adjacent to the Columbia Mall and is easily accessed by vehicles. Parking is abundant, and the center has a covered drive-through, allowing patients to be dropped off at or near the front entrance of the building without being exposed to adverse weather conditions.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **<u>DO NOT SUBMIT BLUEPRINTS</u>**. Simple line drawings should be submitted and need not be drawn to scale.

The floor plan is attached at Attachment B.IV.

- **V.** For a Home Health Agency or Hospice, identify:
 - Existing service area by County;
 - 2. Proposed service area by County;
 - 3. A parent or primary service provider;
 - 4. Existing branches; and
 - 5. Proposed branches.

n/a

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

- 1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.
 - 1) The applicant should provide plans, which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.
 - 2) The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

The cost of the proposed relocation is \$7,742,231. MRMC did not evaluate the cost of renovation because renovation is not feasible. There is not sufficient room on the hospital campus to create the cancer center that is proposed for the Columbia Mall site. Need for the project exists, as evidenced by MRMC's historical utilization. Most of the patients are expected to be patients who would otherwise receive cancer treatment on MRMC's main campus, so this project will not have an impact on other providers. (Williamson Medical Center is the only other provider of PET services in the area, and Vanderbilt Ingram Cancer Center at Franklin is the only other provider of radiation therapy services in the service area.)

b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).

This project does not include the change of site for a health care institution; it simply relocates certain services and equipment to an existing outpatient campus of the hospital.

<u>STATE HEALTH PLAN –</u> FIVE PRINCIPALS FOR ACHIEVING BETTER HEALTH

- <u>Healthy Lives</u>. The project will improve the health of patients because it will provide better access to comprehensive cancer care.
- Access to Care. The applicant participates in all TennCare MCOs that operate in the area and has a history of serving low-income patients.
- <u>Economic Efficiencies</u>. This project does not add any new services but simply upgrades equipment and relocates services to a more convenient location.
- Quality of Care. MRMC has a history of providing excellent care to its patients. MRMC has received numerous awards for quality in the last several years, including:

- Top 100 Hospital (Truven) 1994, 2008, 2010, and 2013
- 100 Great Community Hospitals (Becker's Hospital Review) 2013
- Top Health System (Truven) 2011 and 2012
- Cardiac Surgery Excellence Award (Healthgrades) 2011
- Top Cardiovascular Hospital (Truven) 2013
- Orthopedic Surgery Excellence Award (Healthgrades) 2012
- Everest Award (Truven) 2013
- <u>Health Care Workforce</u>. MRMC partners with numerous schools in and around the service area to train nurses, therapists, technicians, pharmacists, and physician assistants.
- 2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.
 - MRMC continues to work to provide convenient, high-quality care to its patients. The Cancer Center is a component of that effort, and consolidating all cancer services at MRCC will provide the best, most convenient services for patients.
- 3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).

The service area is Giles, Hickman, Lawrence, Lewis, Marshall, Maury, Perry, Wayne, and Williamson Counties. A service area map is attached as Attachment C.Need.3. Approximately 98% of MRMC's patients are from these counties.

4. A. Describe the demographics of the population to be served by this proposal.

Demographic data for each county in the service area is attached as Attachment C.Need 4.

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Accessing services at the Columbia Mall site will be easier for patients than accessing services at the main hospital campus. MRMC has a strong history of fulfilling the needs of the service area population, including providing access for poor and elderly patients.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Williamson Medical Center is the only other PET (mobile, ½ day per week) provider in the service area, and Vanderbilt Ingram Cancer Center at Franklin is the only other radiation therapy provider in the service area.

	2010	2011	2012
Vanderbilt Ingram Cancer Center at Franklin – Linear Accelerator (treatments)	6085	5753	5975
Williamson Medical Center – PET (scans)	89	108	109

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology <u>must include</u> detailed calculations or documentation from referral sources, and identification of all assumptions.

	2010	2011	2012	2015	2016
PET (scans)	314	309	345	354	364
Linear Accelerator (treatments)	30,844	29,997	30,156	30,759	31,374

Projected utilization is based on historical utilization. Over the last 4-5 years, linear accelerator utilization has increased by an average of 2% per year, and PET utilization has increased by an average of 2.5% per year. It is expected that this moderate growth rate will continue.

ECONOMIC FEASIBILITY

- 1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
 - All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
 - The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine

the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

The cost of the lease is based on the aggregate amount of the lease payments, which is \$1,532,580. The fair market value of the space is \$880,000. A letter regarding the fair market value of the space is attached as Attachment C. Economic Feasibility. 1.

- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation;
 <u>documentation must be</u> provided from a contractor and/or architect that support the estimated construction costs.

Documentation from Hart, Freeland, and Roberts is attached as Attachment Attachment C. Economic Feasibility. 1.

PROJECT COSTS CHART

	2022 III 12 PM 2 1	7
A.	Construction and equipment acquired by purchase: 1. Architectural and Engineering Fees	
	 Architectural and Engineering Fees 	\$ 225,000
	 Legal, Administrative (Excluding CON Filing Fee), Consultant Fees 	\$ 25,000
	3. Acquisition of Site	\$ 0
	4. Preparation of Site	\$ 75,000
	5. Construction Costs	\$ 2,500,000
	6. Contingency Fund	\$ 125,000
	7. Fixed Equipment (Not included in Construction Contract)	\$ 0
	8. Moveable Equipment (linear accelerator and planning system)	\$ 3,200,000
	9. Other (Specify) IT equipment	\$ 42,000
B.	Acquisition by gift, donation, or lease:	
¥1	 Facility (inclusive of building and land) 	\$ 1,532,850
	2. Building only	\$ 0
	3. Land only	\$ 0
	4. Equipment (Specify)	\$ 0
	5. Other (Specify)	\$ 0
C.	Financing Costs and Fees:	
	1. Interim Financing	\$ 0
	2. Underwriting Costs	\$ O
	 Reserve for One Year's Debt Service 	\$ 0
	4. Other (Specify)	\$ 0
D _x .	Estimated Project Cost (A+B+C)	\$ 7,724,850
E.	CON Filing Fee	\$ 17,381
F	Total Estimated Project Cost (D+E)	\$ 7,742,231
	TOTAL	\$ 7,742,231

2.	Identif	ify the funding sources for this project.			
	Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C Economic Feasibility-2.)				
	A,.,	Commercial loanLetter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;			
	B.	Tax-exempt bondsCopy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;			
	C.	General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.			
	D,,	GrantsNotification of intent form for grant application or notice of grant award; or			
\boxtimes	E.	Cash ReservesAppropriate documentation from Chief Financial Officer.			
		Letter attached as Attachment C, Economic Feasibility – 2.			
	F.	Other—Identify and document funding from all other sources.			
3.	compa	ss and document the reasonableness of the proposed project costs. If applicable, are the cost per square foot of construction to similar projects recently approved by ealth Services and Development Agency.			
	Furthe	ted in the letter from Hart, Freeland, and Roberts, the project costs are reasonable. er, the average cost per square foot (\$232.86) is in line with other hospital projects that recently been approved by the Agency.			
4	the C	lete Historical and Projected Data Charts on the following two pages <u>Do not modify</u> tharts provided or submit Chart substitutions! Historical Data Chart represents ue and expense information for the last three (3) years for which complete data is ble for the institution. Projected Data Chart requests information for the two (2) years			

following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

HISTORICAL DATA CHART

Give information for the last three (3) years for which tomplete data are available for the facility or agency. The fiscal year begins in July.

			Year <u>2012</u>	Year <u>2011</u>	Year <u>2010</u>
Α.	Utili	zation Data (<i>patient days</i>)	49,532	54,424	<u>56,401</u>
B.	Rev	enue from Services to Patients			
	1.	Inpatient Services	\$246,286,860	\$256,190,608	<u>\$252,883,954</u>
	2.	Outpatient Services	\$354,693,037	\$304,888,933	\$279,336,434
	3.	Emergency Services	<u>\$47,793,056</u>	<u>\$37,187,162</u>	<u>\$21,264,121</u>
	4.	Other Operating Revenue	\$8,994,229	\$8,872,019	<u>\$7,461,422</u>
		(Specify) <u>see chart below</u>			
		Gross Operating Revenue	\$657,767,182	\$607,138,722	<u>\$560,945,931</u>
C.	Ded	uctions from Gross Operating Revenue			
	1.	Contractual Adjustments	\$380,521,119	\$345,440,628	\$313,233,607
	2.	Provision for Charity Care	<u>\$11,717,923</u>	<u>\$12,852,150</u>	<u>\$12,053,903</u>
	3.	Provisions for Bad Debt	\$25,946,254	<u>\$23,212,355</u>	<u>\$24,963,079</u>
		Total Deductions	<u>\$418,185,296</u>	<u>\$381,505,133</u>	<u>\$350,250,615</u>
NET	OPE	ERATING REVENUE	\$239,581,886	\$225,633,590	<u>\$210,695,316</u>
D.	Ope	erating Expenses			
	1	Salaries and Wages	\$119,474,327	\$113,904,765	\$111,205,121
	2.	Physician's Salaries and Wages	\$9,729,973	\$7,466,814	\$5,825,031
	3.	Supplies	\$47,480,886	\$44,107,074	<u>\$40,194,049</u>
	4.	Taxes	\$120,190	\$121,850	\$131,993
	5.	Depreciation	\$14,677,968	\$15,662,303	\$14,527,462
	6.	Rent	\$3,012,130	\$3,024,838	\$2,967,269
	7.	Interest, other than Capital	<u>\$29,602,104</u>	\$27,620,284	\$25,026,928
	8.	Other Expenses (Specify) see chart	\$29,602,104	\$27,620,284	<u>\$25,026,928</u>
	<u>belo</u>		* 00.4.007.570	#044 007 000	#400 077 050
_	0.11	Total Operating Expenses	\$224,097,578	\$211,907,928	\$199,877,852
E.		er Revenue (Expenses) – Net (Specify) e chart below	<u>\$(2,961,526)</u>	<u>\$(2,235,528)</u>	\$(2,404,013)
NET		ERATING INCOME (LOSS)	\$12,52 <u>2,782</u>	\$11,490,134	\$8,413,452
F.		ital Expenditures	<u>Ψ12,022,102</u>	<u> </u>	φο,-110,102
1 .	1.	Retirement of Principal	\$3,910,000	\$3,845,000	\$5,330,000
	2.	Interest	\$717,518	\$994,767	\$1,367,257
	۷.	Total Capital Expenditures	\$4,627,518	\$4,839,767	\$6,6 <u>97,257</u>
NET	OPF	ERATING INCOME (LOSS)	Ψ-1,021,010	<u> </u>	40,001,1201
		APITAL EXPENDITURES	\$7,895,264	\$6,650,367	\$1,716,195

Other Operating Revenue

	FY2012	FY2011	FY2010
Management Fees Charged to Affiliates	\$1,495,755	\$1,191,036	\$619,356
Factory Employee Health Revenues	\$540,635	\$533,403	\$704,434
Sale of Meals	\$1,079,715	\$1,016,763	\$1,018,552
Medical Records Fees	\$7,811	\$5,627	\$4,886
Purchasing Discounts	\$82,115	\$115,234	\$106,492
Pharmacy Sales	\$2,081,912	\$1,509,318	\$1,426,349
Office Building Rental Income	\$2,446,337	\$2,340,832	\$2,446,677
Essential Access Funds	\$952,894	\$1,990,104	\$1,007,413
Other Income	\$307,055	\$169,702	\$127,264

Other Expenses

	FY2012	FY2011	FY2010
Advertising	\$634,315	\$607,764	\$697,856
Consulting Fees	\$283,373	\$61,306	\$191,257
Legal and Audit Fees	\$654,509	\$311,086	\$355,778
Software Support	\$2,620,259	\$1,732,105	\$1,540,345
Machine Services Contracts	\$3,146,777	\$3,407,655	\$3,163,435
Collection Agency Fees	\$1,389,631	\$1,295,273	\$1,222,082
Contracted Services to Others*	\$8,908,834	\$8,192,216	\$6,473,030
Engineering Biomed Services	\$179,315	\$243,906	\$311,380

Repairs and Maintenance	\$2,555,208	\$2,584,993	\$2,259,655
Insurance	\$891,122	\$1,038,944	\$1,021,969
Other Operating Expenses**	\$1,712,816	\$2,371,766	\$2,035,616
License Fees	\$1,191,563	\$825,845	\$1,039,405
Contributions to Maury County and community charities	\$1,193,543	\$1,114,047	\$1,002,155
Utilities	\$4,240,839	\$4,311,658	\$4,007,176

^{*}includes dialysis management, dietary management, endoscopy management, reference lab, physicist, wound care management, mobile MRI/PET, laundry management, chart reviews, etc.

Other Revenue (Expense) - Net

	FY2012	FY2011	FY2010
Losses on Affiliate Physician Practices	(\$3,868,006)	(\$3,010,894)	(\$3,100,223)
Interest/Investment Income	\$906,480	\$775,366	\$696,211

^{**}includes professional development, physician recruitment, travel expenses, communications expenses, postage and shipping fees, etc.

PROJECTED DATA CHART (Radiation Therapy)

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July.

			Year <u>2015</u>	Year <u>2016</u>
A.	Utili	zation Data (treatments)	<u>30,759</u>	<u>31,374</u>
B.	Rev	enue from Services to Patients		
	1.	Inpatient Services	\$833,587	<u>\$850,259</u>
	2.	Outpatient Services	\$29,780,436	<u>\$30,376,045</u>
	3.	Emergency Services	<u>n/a</u>	<u>n/a</u>
	4.	Other Operating Revenue N/A	<u>n/a</u>	<u>n/a</u>
		Gross Operating Revenue	\$30,614,023	<u>\$31,226,303</u>
C.	Ded	uctions from Gross Operating Revenue		
	1.	Contractual Adjustments	<u>\$19,176,624</u>	<u>\$19,560,156</u>
	2.	Provision for Charity Care	<u>\$520,438</u>	<u>\$530,847</u>
	3.	Provisions for Bad Debt	\$1,285,789	<u>\$1,311,505</u>
		Total Deductions	<u>\$20,982,851</u>	\$21,402,508
NET	OPE	ERATING REVENUE	<u>\$9,631,172</u>	\$9,823,795
D.	Ope	rating Expenses		
	1.	Salaries and Wages	\$1,951,809	\$1,990,845
	2.	Physician's Salaries and Wages	<u>n/a</u>	<u>n/a</u>
	3.	Supplies	\$328,003	\$334,564
	4.	Taxes	<u>n/a</u>	<u>n/a</u>
	5.	Depreciation	\$845,110	\$845,110
	6.	Rent	\$36,850	\$36,850
	7.	Interest, other than Capital	n/a	<u>n/a</u>
	8.	Other Expenses _machine contract services, software, lease/rental, maintenance & repairs, utilities, and professional development	\$1,337,892	\$1,364,650
		Total Operating Expenses	\$4,499,664	\$4,572,018
E.	Oth	er Revenue (Expenses) – Net (Specify)	<u>n/a</u>	<u>n/a</u>
NET	OPE	ERATING INCOME (LOSS)	\$5,131,508	\$5,251,777
F.	Сар	ital Expenditures	\$6,000,812	<u>n/a</u>
	1.	Retirement of Principal	<u>n/a</u>	<u>n/a</u>
	2.	Interest	<u>n/a</u>	<u>n/a</u>
		Total Capital Expenditures	\$6,000,812	<u>n/a</u>
		ERATING INCOME (LOSS) APITAL EXPENDITURES	(\$869,304)	\$5,251,777

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July.

			Year_2015_	Year_2016_
A.	Utili	zation Data (scans)	354	364
В.	Rev	renue from Services to Patients		
	1.	Inpatient Services	\$5,470	<u>\$5,635</u>
	2.	Outpatient Services	\$1,881,231	\$1,937,668
	3.	Emergency Services	<u>n/a</u>	<u>n/a</u>
	4.	Other Operating Revenue N/A	<u>n/a</u>	<u>n/a</u>
		Gross Operating Revenue	\$1,886,701	\$1,943,302
C.	Ded	luctions from Gross Operating Revenue		
	1.	Contractual Adjustments	<u>\$1,254,468</u>	\$1,292,102
	2.	Provision for Charity Care	<u>\$32,074</u>	<u>\$33,036</u>
	3.	Provisions for Bad Debt	\$79,241	<u>\$81,619</u>
		Total Deductions	<u>\$1,365,783</u>	<u>\$1,406,756</u>
NET	OPE	ERATING REVENUE	<u>\$520,918</u>	<u>\$536,546</u>
D.	Оре	erating Expenses		
	1.	Salaries and Wages	<u>\$23,196</u>	<u>\$23,776</u>
	2.	Physician's Salaries and Wages	<u>n/a</u>	<u>n/a</u>
	3.	Supplies	<u>\$44,718</u>	\$46,059
	4.	Taxes	<u>n/a</u>	<u>n/a</u>
	5.	Depreciation	<u>n/a</u>	<u>n/a</u>
	6.	Rent	<u>n/a</u>	<u>n/a</u>
	7.	Interest, other than Capital	<u>n/a</u>	<u>n/a</u>
	8.	Other Expenses equipment lease	\$268,364	<u>\$276,415</u>
		Total Operating Expenses	\$336,278	<u>\$346,250</u>
E.	Oth	er Revenue (Expenses) – Net (Specify)	<u>n/a</u>	<u>n/a</u>
NET	OPE	ERATING INCOME (LOSS)	\$184,640	<u>\$190,295</u>
F.	Cap	ital Expenditures	<u>n/a</u>	<u>n/a</u>
	1.	Retirement of Principal	<u>n/a</u>	<u>n/a</u>
	2.	Interest	<u>n/a</u>	<u>n/a</u>
		Total Capital Expenditures	<u>n/a</u>	<u>n/a</u>
		ERATING INCOME (LOSS) APITAL EXPENDITURES	<u>\$184,640</u>	\$190,295

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Radiation Therapy

Average Gross Charge	Average Deduction	Average Net Charge
\$995.28	\$682.17	\$313.12

PET

Average Deduction	Average Net Charge
\$3,862.24	\$1,473.08

- 6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.
 - B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

The project will have no impact on charges. The following chart includes the charges and comparison to Medicare reimbursement.

MRMC Charge	Medicare Reimbursement
\$4,162.00	\$984.49
\$1,646.00	\$483.70
\$3,286.00	\$984.49
\$571.00	\$179.52
\$628.00	\$179.52
	\$4,162.00 \$1,646.00 \$3,286.00 \$571.00

MRMC Charge	Medicare Reimbursement
\$4,797.00	\$1,056.12
\$4,891.00	\$1,056.12
\$5,047.00	\$1,056.12
\$5,337.00	\$1,056.12
\$5,634.00	\$1,056.12
	\$4,797.00 \$4,891.00 \$5,047.00 \$5,337.00

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

Current utilization has been sufficient to maintain cost effectiveness, and the services have been profitable.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

The project will be profitable in Year 2. MRMC has sufficient cash reserves to support the project in Year 1.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

MRMC participates in all TennCare MCOs that operate in the service area.

Radiation Therapy - Gross Charges

	Year 1 - \$	Year 1 - %	Year 2 - \$	Year 2 - %
Medicare	\$18,395,355	60%	\$18,483,672	59%
TennCare	\$2,615,289	8.5%	\$3,455,089	11%

PFT - Gross Charges

	Year 1 - \$	Year 1 - %	Year 2 - \$	Year 2 - %
Medicare	\$1,104,834	59%	\$1,104,518	57%
TennCare	\$204,749	11%	\$260,132	13.4%

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

MRH's financial information is attached as Attachment C, Economic Feasibility – 10.

- 11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
 - a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.
 - b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

The applicant had three options with respect to radiation therapy and PET/CT services:

- 1) Do nothing;
- 2) Renovate space on the main hospital campus; or
- 3) Relocate the services to the Columbia Mall site.

Options 1 and 2 are not feasible because there is not sufficient space on the main hospital campus to provide the type of comprehensive cancer center that the Columbia Mall site will provide. In addition, the new site is more convenient for patients.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Other Providers:

- o Hospice of the Highland Rim
- o Caris Hospice

Managed Care and other networks:

AmeriGroup

- o Aetna
- o Blue Cross TN
- Blue Advantage
- Cover TN
- Cigna
- HealthSpring
- o. Humana
- o AmeriChoice
- United of the River Valley, Inc.
- o United Healthcare
- o PHCS/MultiPlan
- o Amish Council
- o Hospice of the Highland Rim, Inc.
- o TBCCEDP
- Valor Healthcare VA
- Corrections Corp of America
- First Health/Affordable/Coventry
- o Government Employees Hospital Assoc.
- Wayne County Jail
- o Lewis County Jail
- o Marshall County Jail
- OccuComp PT
- o Windsor Health Plans
- 2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

This project will have only a positive impact on the health care system. It does not duplicate services; it simply relocates services to a more convenient location for patients. Additionally, the project replaces and upgrades equipment.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

Radiation Therapy

Registered Nurse – 2.5 FTE
Radiation Therapist – 7.0 FTE
PRN Radiation Therapist – 4 FTE
Physicists – 2.0 FTE
Dosimetrist – 2.0 FTE
CT Simulation Techs – 1.5 FTE
PRN CT Simulation Tech – 1 FTE

Registered Nurse is the only job category for which the Tennessee Department of Labor & Workforce Development publishes wages. MRMC's average hourly wage for a registered nurse is \$24; the area average per TDLWD is \$27.77.

PET

Nuclear Medicine Tech – 1 FTE

MRMC's average hourly wage for a nuclear medicine tech is \$34; the area average per TDLWD is \$26.98.

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

MRMC has not had trouble recruiting staff. For this project most staff members will relocate from the main hospital campus to the new location.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

MRMC has reviewed and understands all applicable requirements.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

Promoting learning and higher education is part of MRMC's role in the community. MRMC has numerous school affiliations and contracts. For the allied health care areas the affiliations include the technical centers, community college, state and private colleges and universities, particularly Columbia State Community College, Martin Methodist College, the University of Alabama Huntsville, Vanderbilt University, Trevecca University, and the University of North Alabama. The clinical areas include nursing (licensed practical nurse, registered nurse, advanced practice including nurse anesthetist), speech, respiratory, therapy, physical therapy, radiology technology, physician assistant, pharmacy and health information management. The number of clinical students during the fall and spring school semesters averages 300 per semester. Non-clinical areas include healthcare management and information technology.

Additionally, MRMC is an identified Training Center for the American Heart Association and an approved provider of continuing nursing education by the Tennessee Nurses Association.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental

Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

MRMC has reviewed and understands all applicable requirements.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: Tennessee Department of Health

Accreditation: The Joint Commission

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

MRMC is currently licensed by the Tennessee Department of Health. A copy of the license is attached as Attachment C. Contribution to the Orderly Development of Healthcare. 7(c).

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

All the deficiencies cited in the last inspection have been corrected. The most recent survey and plan of correction is attached as Attachment C. Contribution to the Orderly Development of Healthcare. 7(d).

- 8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held. *n/a*
- 9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project. *n/a*
- 10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

MRMC will provide the Tennessee Health Services and Development Agency with all required data.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- 2. If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.

Form HF0004 Revised 02/01/06 Previous Forms are obsolete

STATE OF TENNESSEE

COUNTY OF MAURY

PROOF OF PUBLICATION

Before me, Vickie L. Woody, of the county and state aforesaid,
Personally appeared Mark Palmer with whom I am personally
Acquainted and who upon oath acknowledged herself to be the
Bookkeeper of THE DAILY HERALD, a newspaper published in the
City of Columbia, in said county and state, who, on oath, deposes
And says that the publication of which the annexed slip is a true
Copy, was published in said newspaper as follows:

DATE JUNE 8, 2013 SIZE 17.00"

PUBLISHER

Subscribed and sworn to before me, this 10th day of July, 2013

NOTARY PUBLIC

MY COMMISSION EXPIRES: 6/25/2017



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COLUMBIA REGIONAL PLANNING COMMISSION

July 10, 2013 MEBTING
The Columbia Planning Commission will
meet on Wednesday, July 10th, 2013 at 4:00
P.M. in the Council Chambers at City Hall to sider the following

AGENDA

Eddle Campbell

Secretary Call to Order....

Communications:

a. Actions of the Manny County Regional Planning County single the Columbia Planning Region.

b. Review any Actions of the Columbia City Council on unnexation and zoolog.

3. Request from Webb Implicering for Sketch Plats agreeved of eight but located at 988 laker Rand.

4. Other Business: Tabled Zoolog Collins.

4. Other Business: Tabled Zoning Ordinan

4. Other Business. Among method and names. Anyone requesting accommodations due to dissolitimes should contact Norman Wright at 931-560-1560 prior to the meeting.

June 28, July 8 2to

"PUBLIC NOTICE: Celico Partnership and its controlled affiliates doing business as Verizon Wireless (Verizon Wireless) are proposing to build a 310-foot Self-Support Telecommunications Tower. Anticipated lighting application is medium intensity dual rest/white strebes. The site location is 1909 Williamsport (Pic, Columbus, Maury County, TN 38487 (35* 42* 23.84" North and 87* 13* 51.49" West). The Federal Communications Commission (PCC) Antenso Structure Commission (FCC) Antenna Structure Registration (ASR, Form 854) filing number is

ENVIRONMENTAL EFFECTS - Intereste persons may review the application (www.fcc gov/ast/applications) by entering the filing number. Environmental concerns may be raised number, Environmental concerns may be mised by filling a Request for Environmental Review (www.for.gov/asr/environmental Review (www.for.gov/asr/environmentalrequest) and online fillings are strongly encouraged. The mailing address to fill a paper copy is FCC Requests for Environmental Review, Attr. Ramon Williams, 445 12th Street SW, Washington, DC 20554. HISTORIC PROPERTIES EFFECTS — Public commensizer regarding potential effects on historic properties may be submitted within 30 days from the date of this publication to: E. York, Terracco, 2655 Premiere Parkwy, Suite C. Terracco, 2655 Premiere Parkwy, Suite C. Terracon, 2855 Premiere Parkway, Suite C Duluth, GA 30097; 770-623-0755; etyork@

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(931)448-0031 TIMBER RIDGE TOWN HOUSE 2 BR, 1,5 BA NUISE, 2 BR, 1,5 BA kitchen appliances, W.D hookups, \$876 month \$500 deposit. Duck Riv-er Realty, (931)381-1384.

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2004 TRAILBLAZER LS. One owner, no accidents, 77,000 miles, 4.2 liter L6 engins, 4 speed automatic transmission, towing package, remote start 6 way heated leather sets, dual sin am/im 6 disc player power everything, man) \$8,995 (931)334-3138

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Attorney for Petitioners MICHAEL DIRK RISCH AILYN FEIR RISCH

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF SONOMA

In the Matter of the Petition Of MICHAEL DIRK RISCH and AILYN FEIR RISCH to Declare MAKAYLA FEIR MINCH, a Mino Free from the Custody and Control of BRYAN MINCH m, to Be) CITATION TO PARENT

THE PEOPLE OF THE STATE OF CALIFORNIA

THE PROPILE OF THE STATE OF CALIFORNIA
TO BRYAN MINCH:
By order of this court you are hereby advised that you may appear before the judge presiding in Department 23 of this court located at 3055
Cleveland Avenue, Sunta Russ, CA 95403 on July 31, 2013, at 8.30 a.m.,
then and thear to show causus, if any you have, why MAKAYLA ADRIAN
FIER MINCH should not be declared free from your cistody and centrel
for the purpose of freeing MAKAYLA ADRIAN FIER MINCH for placement for adoption. At this hearing you are required to give any legal reason
why the relief described in the verified application attached to adult access
why the relief described in the verified application attached to distance
the following information concerns rights and proceedings that relate to
this proceeding for the terminations of custody and control of MAKAYLA
ADRIAN FIER MINCH as are forth in Family Code Section 7850 of seq.

1. At the beginning of the proceeding the coust will consider whether
or not the interests MAKAYLA ADRIAN FIER MINCH do requise such
protection, the court will appoint counsed to represent har, whether or not
the interests MAKAYLA ADRIAN FIER MINCH appears without
the single to affort coonsel.

2. If a parent of MAKAYLA ADRIAN FIER MINCH appears without
the parent, unless the paseas knowlingly and intelligently waives the right to
temperate both MAKAYLA ADRIAN FEIR MINCH appears without
the parent, unless the paseas knowlingly and intelligently waives the right to
temperate both MAKAYLA ADRIAN FEIR MINCH appears under
temperate both MAKAYLA ADRIAN FEIR MINCH and reparant.

3. The court may appoint estimate the public defender or private counsel.

5. The court may appoint estimate the public defender or private counsel.

of telepositions of the control of t

OSE O. GUILLEN

July 2, 8, 14, 19 4tp



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NOTIFICATION OF INTENT TO APPLY FOR ACENTRICATE OF NEED This is to provide official notice to the transsec recitits Services and Development Agency "Agency" and all interested parties, in accordance with T.C.A. See 68-11-1601 et req., and the Rules of the Agency that Maury Regional Homital divia Maury Regional Homital divia Maury Regional Homital divia Maury Regional Homital Control of Need to release they linear accelerators and a mobile positron emission tomography seasoner from the total cospital campus to Maury Regional Cancer Center, at 808 South James Camplell Houdeward, Columbia, T.N., 38401. Maury Regional Modical Conter will also replace one of the linear accelerators. The project will mepting proprint and 19,726 square face of reservations construction. The project will not result is no increase of Housed hospital bads or the Initiation of any service requiring certificate of need. The total project one at entimated to be \$7,742,231, Maury Regional Medical Center is located. The total project one at entimated to be \$7,742,231, Maury Regional Medical Center is located at 1224 Travosco Avenue, Columbia, TN, 38401. NOTIFICATION OF INTENT TO APPLY

The anticipated date of filing the application is July 12, 2013. The contact person for this project is David Thomas, who may be reached at Maury Regional Medical Center, 1224 Trotwood Avenue, Columbia, TN, 38401, (931) Trotwood, 380-4057,

380-4057. Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should

be sent to:

Tenoessee Health Services and

Tenoessee Health Services and
Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Postalerick Street, Suite 850
Pursuant to TCA See, 68-11-1607(e)(I), (A) any health care lastitution withing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than filtenn (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is criginally scheduled; and

and

(B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by

NOTICE OF TRUSTEE'S SALE
WHERRAS, default has occurred in the
performance of the covenants, terms, and
conditions of a Deed of Trust Note dated
August 29, 2001, and the Deed of Trust of even
date securing the same, recorded Spjetmber 4,
2001, at Book R1562, Page 197 and modified
on January 11, 2002, at Book R1592, Page 666
in Office of the Register of Deeds for Massry
County, Tennessee, executed by Regisla A.
Bizzell and Regisla A. Bizzell, conveying
certain property therein described to Mark
A. Hayes and/or Edwin D. Moure as Trustee
for First Nethouls Bank of Pulaski; and the for First National Bank of Pulaski; and the undersigned, Wilson & Associates, PLLC,

having been appointed Successor Trustee.

NOW, THEREFORE, notice is bereby given that the entire indebtedness has been declared due and psyable; and that an agent of Wilson & Associates, P.L.C., as Successor Trustee, by virtue of the power, duty, and authority vested in and imposed upon said Successor Trustee will, on Indy 15, 2013 on or about 10:00 A.M., at the Manry County Courthouse, Columbia, Tennessee, offer for sale certain property bearinater described to the highest bidder FOR CASH, free from the statutory right of redemption, homesteed, dower, and all other exemptions which are expressly walved in the Deed of Trust, said property being real estate situated in Maury County, Tennessee, and being more particularly described as follows:

Being a tract or parced of land, lying and being altuated in Columbia, Maury County, State of Tennessee, more particularly described as follows:

All that certain parcel of land situated in the County of Maury, State of Tennessee, on the Kill Baker Homes, Inc., as shown on plat of record in Plat Book 10, Page 372, and Plat Book 11, Page 471, and Plat Book 10, Page 572, and Plat Book 11, Page 471, and Plat Book due and payable; and that an agent of Wilson & Associates, P.L.L.C., as Successor Trustee, by

nade for a more particular description. ALSO KNOWN AS: 202 East 15th Street Colombia, Tennessee 38401

This sale is subject to all matters shown or my applicable recorded plat; any unpaid taxes my restrictive covenants, easements, or setback any restrictive covenants, essements, or setback lines that may be applicable; any statutory rights of redemption of any governmental agency, state or federal; any prior lices or concumbrances as well as any priority created by a flature filing; and to any matter that an accurate survey of the premises might disclose. In addition, the following parties may claim an interest in the shove-referenced property: Reginla A. Bitzzell The sale held pursuant to this Notice may be resoluted at the Successor Trustee's option at any time. The right is reserved to adjourn at any time. The right is reserved to adjourn

at any time. The right is reserved to adjourn the day of the sale to another day, time, and place certain without further publication, upor councement at the time and place for the sale et forth above, W&A No. 700-76018

DATED June 17, 2013 WILSON & ASSOCIATES, PL.L.C. essor Trustee FOR SALE INFORMATION,

VISIT WWW.MYFTR.COM and WWW.REALTYTRAC.COM June 24, July 1, 8 30

PROJECT COMPLETION FORECAST2CHART

2013 JUL 12

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): October 23, 2013

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

Pha	se	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1.	Architectural and engineering contract signed	30	11/13
2.	Construction documents approved by the Tennessee Department of Health	20	12/13
3.	Construction contract signed	11	12/13
4.	Building permit secured	10	01/14
5.	Site preparation completed	30	02/14
6.	Building construction commenced	15	02/14
7.	Construction 40% complete	60	04/14
8.	Construction 80% complete	60	06/14
9.	Construction 100% complete (approved for occupancy)	60	08/14
10.	*Issuance of license	n/a	n/a
11.	*Initiation of service	5	08/14
12.	Final Architectural Certification of Payment	10	08/14
13.	Final Project Report Form (HF0055)	10	08/14

^{*} For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

If litigation occurs, the completion forecast will be adjusted at the time of the final Note: determination to reflect the actual issue date.

AFFIDAVIT PM 2 18

STATE OF Tennessee
COUNTY OF Maury
David Thomas, being first duly sworn, says that he is
the representative for the applicant and, based on his knowledge, information and belief,
that this project will be completed in accordance with the application, that the applicant has
read the directions to this application, the Rules of the Health Services and Development
Agency, and T.C.A. § 68-11-1601, et seq., and that the responses to this application or any
other questions deemed appropriate by the Health Services and Development Agency are
true and complete. Davis Thomas
SIGNATURE/TITLE
Sworn to and subscribed before me this 3rd day of Month , 2013 a Notary
Public in and for the County/State of
Lave Marlin
My commission expires 24 , 2017 (Year) MARTERS
OF TENNESSEE

ATTACHMENTS

Attachment A.4 – Private Act

Attachment A.6 – Lease

Attachment B.II.E.3 - Linear Accelerator Quotation and Mobile PET Lease

Attachment B.III.A – Plot Plan

Attachment B. IV - Floor Plan

Attachment C - Need 3 - Service area map

Attachment C - Need 4 - Demographic Data

Attachment C – Economic Feasibility – 1 – Appraisal Letter & Architect Letter

Attachment C – Economic Feasibility - 2 – Funding Letter

Attachment C – Economic Feasibility – 10 – Financial Information

Attachment C – Contribution to Orderly Development 7(c) – License

Attachment C - Contribution to Orderly Development 7(d) - Survey and Plan of Correction

Attachment A.4 – Private Act



A Department of State

To all to whom these Presents shall come, Greeting:

I, Riley C. Darnell, Secretary of State
of the State of Tennessee, do hereby certify that the annexed is a true
copy of

PRIVATE CHAPTER NO. 125
HOUSE BILL NO. 2732
PRIVATE ACITS OF 1996

the original of which is now on file and a matter of record in this office.

In Testimony Whereof, I have hereunto subscribed my Official Signature and by order of the Governor affixed the Great Seal of the State of Tennessee at the Department in the City of Nashville, this 16th day of Nashville, this 16th day

Riley C Darrella

NOTICE OF RATIFICATION OF PRIVATE ACT

TO

SECRETARY OF STATE Fifth Fioor, James K. Polk Bidg. Nashville, TN 37243-0305

Private Chapter No.	125	which is House	
	•	(House or Senate)	
BIII No. 2732 , of the	991h General A	ssembly, was considered on2-20-	96 and was:
8		**************************************	(20 ayes
N	548	disapproved	
		no acilon taken	<u> </u>
	37 302 40 325	Presiding Officer of the Local Legislative Body (or Chairperson of the County Election Commission, it applies	J.
Embors Seal:	· ·	Maury County	. v.
(ક્ષેત્રજાવિષ્ય ક્ષે)	* (County or City	
. 10 1		February 21, 1996	······································



State of Tennessee

PRIVATE CHAPTER NO. 125 HOUSE BILL NO. 2732

By Representatives Napier, White

Substituted for: Senate Bill No. 2924

By Senator Jordan

AN ACT to amend Chapter 2 of the Private Acts of 1995, relative to the Maury Regional Hospital.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. A hospital, known as Maury Regional Hospital, and owned by Maury County, was created and established by Chapter 448 of the Private Acts of 1949, as amended by Chapter 373 of the Private Acts of 1953, Chapter 199 of the Private Acts of 1971, Chapter 43 of the Private Acts of 1973, Chapter 162 of the Private Acts of 1988, and Chapter 64 of the Private Acts of 1989, all of which were repealed by Chapter 2 of the Private Acts of 1995. Chapter 2 of the Private Acts of 1995 is hereby amended to read as provided in this act which shall constitute the sole private act relative to Maury Regional Hospital.

SECTION 2. The hospital is composed of those tracts or parcels of land, together with all buildings or other improvements thereon and all appurtenances thereto, whether within or without Maury County, in order to fulfill the hospital's mission of providing health care services to the region.

SECTION 3. The hospital shall be controlled by a Board of Trustees, nine (9) in number, which shall include the chief executive officer of the hospital who, by virtue of the position, shall automatically be an ex-officio member of the Board of Trustees with full voting privileges. Each member shall be a citizen of Maury County, over the age of twenty-one (21) years. Each member shall serve without compensation. The office of board member is not a county office for the purposes of Article XI, Section 9 of the Tennessee Constitution. No member of the Board of Trustees shall be a member of the county commission. No member of the Board of Trustees and no member of the county commission shall profit financially by reason of operation of the hospital except that the hospital chief executive officer and/or a member of the hospital medical or dental staff, while serving as a member of the Board of Trustees, may be compensated in the same manner as if such person were not a member of the Board of Trustees. No property belonging to the hospital shall be loaned.

SECTION 4. The present members of the Board of Trustees and the expiration of the terms that they are now serving shall be:

Tillman Knox, January 1998;
Dorothy Sowell, January 1998;
R.M. McKsy, January 1998;
Joe Lancaster, January 1999;
John Thornton, January 1999;
Dr. Robert Thompson, January 1997;
Harlan Bowsher, January 1997;
Waymon Hickman, January 1997; and the chief executive officer of the hospital.

The term of a board member, except the chief executive officer of the hospital, is three (3) years. Upon the expiration of any term of a board member, or

HB 2732

upon any vacancy which may occur by reason of death, resignation, refusal to serve, or otherwise, the county commission shall elect for a regular three (3) year term or for the remainder of the unexpired term of any member in case of a vacancy, as appropriate. The appointment and acceptance of each board member shall be filed with the county clerk of Maury County, Tennessee. A member is eligible for reelection to the board. The Board of Trustees shall elect a chairman, vice chairman, and secretary from among its members.

Nothing contained herein shall prevent the board from electing and designating the chief executive officer as secretary. The board shall meet at least once each quarter, and more often if necessary. The board shall keep complete, permanent, and public records and minutes, reflecting all its business and transactions. The signature of the chief executive officer and chairman of the board or some other person duly designated by the board shall be affixed to all checks or warrants drawn on funds belonging to the hospital. The signatures may be affixed manually or by use of check writing equipment.

SECTION 5.

- (a) The Board of Trustees shall be vested with full, absolute and complete authority and responsibility for the operation, maintenance, management, conduct and control of the business and affairs of the hospital herein created. Such business and affairs may include without limitation, the provision of health care services in the home and the ownership, sponsorship or participation in any alternative health care delivery systems, notwithstanding that as a consequence of such exercise of powers, it engages in activities that may be deemed within the contemplation of the antitrust laws of the State or of the United States. Subject to the provisions of subsection (b), the Board of Trustees of Maury Regional Hospital shall have the authority to acquire, to lease, to sell or to dispose of real property determined by the board to be appropriate for the operation of the hospital and the provision of health care services to the region. Such operation, maintenance, management, conduct and control shall not be inconsistent with existing contractual obligations of Maury County, Tennessee. Such authority shall include, but not be limited to, the establishment, promulgation, and enforcement of rules, regulations and policies necessary to direct and supervise the operation and maintenance of all property; the administration of all financial affairs, including the execution of all documents necessary to administer such financial affairs; except the county commission shall approve the borrowing of funds which would adversely affect the ability of Maury County to incur indebtedness; the execution of all contracts, agreements, leases, deeds and other instruments in order to accomplish the purposes of the hospital, the ownership or leasing of property whether inside or outside Maury County subject to the provisions of subsection (b); and the employment, compensation, discharge and supervision of all personnel; and to adopt proper bylaws which shall meet the standards as set by the Joint Commission on the Accreditation of Health Care Organizations.
- (b) None of the following actions shall be undertaken by the hospital without the approval of the county commission of Maury County:
 - (1) The execution of any instrument which, by its explicit terms, creates a full faith and credit obligation of Maury County; or purports to involve tax-exempt financing.
 - (2) The removal of the general administrative offices of the hospital from the main hospital tract.

Notwithstanding the foregoing, the acquisition, lease, sale or disposition of any single tract of real property with a fair market value of one million dollars (\$1,000,000) or more shall be approved by two-thirds (2/3) majority vote of the county commission.

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SECTION 6. In addition, Maury Regional Hospital, through its Board of Trustees, shall have, together with all powers incidental thereto or necessary to discharge the powers granted specifically herein, the powers to participate as a shareholder in a corporation, as a joint venturer in a joint venture, as a general partner in a general partnership, as a limited partner in a limited partnership or a general partnership, as a member in a nonprofit corporation or as a member of any other lawful form of business organization, which provides hospital medical or health care or angages in any activity supporting or related to the exercise of the provision of health care services to the region; to create, establish, acquire, operate or support subsidiaries and affiliates, either for profit or nonprofit, to assist Maury Regional Hospital in fulfilling its purposes; to create, establish or support nonaffiliated for profit or nonprofit corporations or other lawful business organizations which operate and have as their purposes the furtherance of Maury Regional Hospital's purposes; and to accomplish and facilitate the creation, establishment, acquisition, operation or support of any such subsidiary, affiliate, nonaffiliated corporation or other lawful business organization, by means of loans of funds, acquisition or transfer of assets, leases of real or personal property, gifts and grants of funds or guarantees of indebtedness of such subsidiaries, affiliates and nonaffiliated corporations.

SECTION 7. The Board of Trustees shall have authority to employ and fix the compensation of a hospital administrator, and such other personnel and employees as may be necessary, whose duties and responsibilities shall be determined and prescribed by the Board of Trustees; the hospital administrator so employed shall have a degree in hospital administration from an accredited college or university.

SECTION 8.

- (a) The county commission of Maury County shall elect a committee from its membership. The duties of the committee are to advise the Board of Trustees and thereafter to recommend to the county commission measures affecting and pertaining to the welfare of the hospital. The duties shall include, but not be limited to, the approval and recommendations to the county commission for the purchase, replacement, and improvement of the capital equipment of the hospital if such capital equipment is to be paid for out of the funds of Maury County.
- (b) The Maury County Commission may appropriate funds for the operation of Maury Regional Hospital.
- SECTION 9. The Board of Trustees shall annually prepare and submit to the Maury County Commission a budget which will be the same budget prepared for and approved by the Board of Trustees. The budget shall be for a fiscal year running from July 1 through June 30. The board shall submit the budget to the county commission not later than July 1, for approval by the county commission at the regular July term for each year.
- SECTION 10. The Board of Trustees shall prepare and submit to the county commission of Maury County, on a monthly basis, the financial statement and report previously submitted to and approved by the Board of Trustees. Provided, however, the county commission may provide for an audit of the books, records, and financial affairs of the hospital at any time it deems advisable or necessary.
- SECTION 11. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Maury County. Its approval or nonapproval shall be proclaimed by the presiding officer of the commission and certified to the Secretary of State.
- SECTION 12. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 11.

HOUSE BILL NO. 2732

PASSED: FEBRUARY 14, 1996

JIMMY NAIFEH, SPEAKER HOUSE OF REPRESENTATIVES

JOHN S. WILDER SPEAKER OF THE SENATE

APPROVED this 15 day of February 1996

DOW INDQUIST, GOVERNOR

Attachment A.6 – Lease

LEASE AGREEMENT

This Lease Agreement (the "Lease") is made this <u>8</u> day of <u>September</u>, 2011, this being the date the Landlord has executed this Lease, (the "Effective Date") by and between the Landlord and the Tenant and shall consist of the following Specific Lease Provisions and the listed Exhibits:

SPECIFIC LEASE PROVISIONS

1. Exhibits:

A General Lease Provisions

B Site Plan

C Landlord Construction Obligations

D Tenant Construction Obligations

E Construction Drawings and Photographs

F Exclusives

G Notice to Prime Contractors and Remote Contractors

2. Property:

An approximately 30,000 square foot health care facility as shown on Exhibit

<u>"B"</u>.

3. Landlord:

Post Office Box Address

Street Address

(Required Rent Payment and Sales Reporting Address)

H/S Columbia, LLC

H/S Columbia, LLC

c/o Hull Storey Retail Group, LLC d/b/a Hull Storey Gibson Companies,

c/o Hull Storey Retail Group, LLC d/b/a Hull Storey Gibson Companies,

LLC

LLC

PO Box 204227

1190 Interstate Parkway

Augusta, GA 30917-4227

Augusta, GA 30909

Phone (706) 863-2222, Fax (706) 868-7457 Email: Leasingadmin@hullstorey.com

4. Tenant:

Street Address

Maury Regional Hospital 1224 Trotwood Avenue Columbia, Tennessee 38401 Phone: (931) 381-1111

- 5. Tenant's Trade Name: Maury Regional Medical Center
- 6. Premises: The floor area of the space depicted on Exhibit "B", such Premises being a part of the Columbia Mall (the "Mall").
- 7. Square Feet: 30,000 square feet (as approximately depicted on Exhibit "B").

Landlord's Initials Tenant's Initials

- 8. Permitted Use: Only for the operation of an oncology clinic, for other healthcare uses, for other uses related to the operation of Maury Regional Medical Center, and for no other purpose whatsoever.
- 9. Lease Term: Beginning on the Effective Date expiring on the Expiration Date
- 10. Target Tender Date: Following completion of Landlord Construction Obligations on or after September 1, 2011, but no later than February 1, 2012.
- 11. Rent Commencement Date: The earlier of (i) one hundred twenty (120) days after delivery of the Premises in a "dark shell" condition as hereinafter defined, or (ii) the date Tenant opens for business in the Premises.
- 12. Expiration Date: The last day of the month containing the twentieth (20th) anniversary of the Rent Commencement Date.
- Options: One (1) ten (10) year option to extend the Lease Term exercisable only upon the following conditions: (i) this Lease is in full force and effect; (ii) Tenant is open and operating in the Premises; (iii) Tenant is not in default under this Lease; and (iv) written notice of exercise of the option must be given to Landlord at least one hundred eighty (180) days prior to the expiration of the then existing Lease Term or the option will be lost. Monthly Rent during the Option period shall increase from the immediately preceding Monthly Rent at a rate determined by the published Consumer Price Index ("CPI"), such rate to be calculated using the CPI For All Urban Consumers, U.S. City Average (All Items) (1982-1984=100) change incurred from the first day of the month containing the Effective Date to the first month of the Option period, provided however that in no event shall the Total Rent for the Option period be less than the rental paid by Tenant to Landlord for Years 16-20 as set forth below.

14, Rent:

	<u>Years 1 - 5</u> Per		Years 6 - 10		14	
	Per Month	Annum	Per Month	Per Annum		
Minimum Rent: Common Area Maintenance, Taxes	\$17,250	\$207,000	\$17,250	\$207,000		
and Insurance	\$2,625	\$31,500	\$3,018.75	\$36,225		
Total Rent	\$19,875	\$238,500	\$20,268.75	\$243,225		
		<u>11 - 15</u>	Years	16 - 20		<u>tion</u>
is .	Per Month	Per Annum	Per Month	Per Annum	Per Month	Per Annum
Minimum Rent: Common Area Maintenance, Taxes	\$21,362.50	\$256,350	\$21,362.50	\$256,350	TED	TBD
and Insurance	\$3,471.58	\$41,659	\$3,992.32	\$47,907.85	TBD	TBD
Total Rent	\$24,834.08	\$298,008.96	\$25,354.82	\$304,257.85	TBD	TBD

Landlord's Initials Arenant's Initials Arenant's Initials

15. Special Stipulations - Landlord Construction Obligations:

Prior to delivery of the Premises to Tenant, Landlord shall perform the Landlord Construction Obligations set forth in Exhibit "C" attached hereto.

16. Special Stipulations - Tenant Construction Obligations:

Upon delivery of the Premises to Tenant, Tenant shall perform the Tenant Construction Obligations set forth in Exhibit "D" attached hereto.

Prior to opening for business in the Premises and at its sole cost and expense, Tenant shall build-out that portion of the Premises to the standard of a current "Class A" medical facility ("Tenant's Work"). Within sixty (60) days of the execution hereof, Tenant shall submit to Landlord for its approval, not to be unreasonably withheld, Tenant's plans and specifications for Tenant's Work, and after Landlord's approval thereof, Tenant shall complete Tenant's Work in strict accordance with the plans and specifications approved by Landlord.

17. Special Stipulations - Liens for Work or Materials:

Tenant expressly acknowledges that all work contemplated in the Tenant Construction Obligations is for the sole benefit of itself and that pursuant to Tennessee Code Annotated § 66-11-102(D), no Prime Contractor or Remote Contractor as those terms are defined in the statute may encumber Landlord's fee estate with a lien for work or materials as no agency relationship exists between Landlord and Tenant.

Tenant shall post the notice attached hereto as <u>Exhibit</u> "<u>G</u>" along with the building permit required to be posted at the Premises prior to commencement of the Tenant Construction Obligations and keep same posted throughout the construction until all work is complete, a certificate of occupancy has been obtained, and all mechanics and materials suppliers have been paid.

Tenant shall include the following clause in every contract between itself and its contractor or contractors, and shall require the following clause to be included in every contract between its contractor or contractors and their subcontractor or their subcontractors: "The work contemplated by this agreement shall take place on real property whose fee owner is H/S Columbia, LLC, a Georgia limited liability company, and whose lessee is Maury Regional Medical Center. The work contemplated by this agreement is for the sole benefit of Maury Regional Medical Center, and pursuant to Tennessee Code Annotated § 66-11-102(D), no Prime Contractor or Remote Contractor (as those terms are defined in the statute) may encumber the fee estate with a lien for work or materials as no agency relationship exists between H/S Columbia, LLC and Maury Regional Medical Center."

18. Special Stipulations - Adjacent Mall Property, Landscaping, and Parking Areas

Tenant acknowledges that Landlord contemplates redeveloping all or a portion of Landlord's adjacent mall property as shown on Exhibit "B" (the "Mall Property"), excluding Tenant's Primary Area, and that such redevelopment may include (i) the renovation and/or retenanting of all or a portion of the buildings currently existing on the Mall Property, to include eliminating all or a portion of the interior

Landlord's initials ATenant's Initials A

Common Areas, or (ii) the demolition and reconstruction of buildings and Common Areas, including the reconfiguration of the exterior Common Areas and elimination of all or a portion of the interior Common Areas. The work contemplated in (i) and (ii) above shall not result in any modification to Tenant's Primary Area as shown on Exhibit "B" without the reasonable written consent of Tenant and there shall not be any buildings constructed within Tenant's Protected Area as shown on Exhibit "B". Landlord agrees that the continued use of the Mall Property and any renovation, retenanting, and reconfiguration of the Mall Property shall be consistent with retail shopping centers located on James Campbell Boulevard and in the State of Tennessee.

Landlord agrees to regularly cut the grass on the Mall Property as configured or reconfigured from time to time. Landlord shall maintain the buildings and parking areas in a reasonable and good condition so as to not reflect poorly on the Premises from an aesthetic viewpoint.

19. Special Stipulations - Exclusive Use

During the Lease Term and provided Tenant is not in default of its obligations under the Lease beyond applicable notice and cure periods, Landlord shall not lease space within the Shopping Center for use as a Diagnostic Center, Oncology Center, or Surgical Center (the "Tenant Restriction"). "Diagnostic Center" is defined as a radiology center (for x-ray, MRI or similar imaging) or a blood and other fluid lab specifically for testing as the principal business but shall not include a medical practice or practice group that also has x-ray or other labs for use of the patients of the practice group. "Oncology Center" is defined as a purpose built chemotherapy or radiology treatment facility that takes patient referrals from other practices or an oncology practice that treats its own patients but does not include general practices that take oncology patients as an incidental part of the practice, "Surgical Center" is defined as a medical facility with surgical suites for in-patient and/or out-patient surgery but shall not exclude a medical practice from performing minor invasive procedures within their offices. The Tenant Restriction shall not limit or prohibit the operation of general or specialized medical practices, including for family medicine, pediatrics, geriatrics, orthopedics, ear/nose/throat, sports medicine, etc. The Tenant Restriction shall not limit or prohibit the operation of any retailer in the manner operated now or in the future such as WalMart, Kmart, Target, Roses, Kohls, Best Buy, Lowe's, Home Depot, Tractor Supply, Macy's, Belk, Sears, J.C. Penney, Steinmart, TJ Maxx, Ross, Shoe Dept., Payless, Barnes & Noble, Toys R Us, Blockbuster, Walgreen, CVS, Eckerd, Rite-Aid, Haverty's, Rhodes Furniture, Bi-Lo, Kroger, Publix, and Aldi. The Tenant Restriction shall not apply to tenants under existing leases (and their subtenant and assigns) where the existing leases permit the operation in contradiction of the Tenant's Restriction.

20. Special Stipulations - Right of First Refusal

Before Landlord may sell the property underlying the Premises and/or the Tenant's Protected Area and/or the Primary Area, Landlord shall notify Tenant of the gross price (the "Price") and land to be conveyed (the "Sale Land") ("Landlord's Offer"), and Tenant shall have the right of first refusal to purchase the Sale Land at the price designated ("Tenant's ROFR"). Within thirty (30) days of receiving the Landlord's Offer, Tenant (through one or more of its officers) shall either notify Landlord in writing that Tenant is electing to exercise Tenant's ROFR subject to approval by Tenant's board of directors and by the Maury County Government ("Tenant's Acceptance") or Tenant shall waive Tenant's ROFR in

Landlord's Initials Tenant's Initials (A)

(Seal)

writing. In the event Tenant does not deliver the Tenant's Acceptance within thirty days of receipt of the Landlord's Offer, Tenant shall be deemed to have waived Tenant's ROFR and declined to purchase the Sale Land. In the event Tenant delivers Tenant's Acceptance, Tenant shall obtain all required approvals from its board of directors and the Maury County Government to purchase the Sale Land within 90 days after receipt of the Landlord's Offer and notify Landlord in writing of said approval ("Tenant's Final Approval"). In the event Tenant does not deliver Tenant's Final Approval within ninety days after receipt of the Landlord's Offer, Tenant shall be deemed to have waived Tenant's ROFR. In the event Tenant waives or is deemed to have waived Tenant's ROFR, Landlord may thereafter sell the Sale Land for a price equal to or greater than the Price. In the event the Landlord's Offer is not accepted by Tenant and the Sale Land is conveyed by Landlord to a successor owner, during the term of the Lease, the Sale Land shall be subject to Tenant's ROFR in connection with any subsequent sale proposed by the successor owner.

In the event of a conflict between these Specific Lease Provisions and the General Lease Provisions and Exhibits, the Specific Lease Provisions shall control.

Executed under seal as of the Effective Date stated above.

LANDLORD:

H/S Columbia, LLC

By: H/S Columbia Manager, Inc., its Manager

TENANT:

Maury Regional Hospital

d/b/a Maury Regional Medical Center

Tenant's Initials Landlord's Initials

GENERAL LEASE PROVISIONS

Į, DEMISE Demise. In consideration of the obligation of Tanant to pay rent as herein provided and in consideration of the other terms, covenants and conditions hereof, Landjurd 1.1 hereby demises and leases to Tenant, and Tenant hereby takes from Landlard, the Premises, TO HAVE AND TO HOLD said Premises for the Lease Term upon the terms and conditions set forth in this Lease.

- LEASE TERM 2.1 Lea Lease Term. This Lease shall become fully effective and hinding as af the Effective Date. The "Lease Term" means that period commencing on the Effective Date and continuing through the Expiration Date, unless somer terminated as provided in this Lease or by law or unless extended in accordance with the provisions of the Specific Lease Provisions (if applicable)
- Ratification of Dates. At any time following the Rent Cammencement Date, either Landlord or Tenant may furnish the other a notice that will set forth and cunfirm the 2:2 Rent Commencement Date and the Expiration Date of the Lease Term and shall be conclusive of those dates unless the receiving party responds to the contrary in writing within thirty (30) days
- 2.3 Ontion Term. Any uption to extend the Lease Term shall only be exercisable upon the fallowing conditions: (i) this Lease is in full farce and effect; (ii) Tenant is open and operating in the Premises; (iii) Tenant is not in default under this Lease; and (iv) written natice of exercise of the aption must be given to Landlord at least one hundred eighty (180) days prior to the expiration of the then existing Lease Term or the aption will be lost.

- III. OCCUPANCY AND ACCEPTANCE OF PREMISES

 3.1 Acceptance of Premises. By occupying the Promises, Tonant shall be deemed to have inspected and accepted the same and to have acknowledged that the same comply fully with Landlord's covenants and obligations hereunder including without limitation the Landlord Construction Obligations (if applicable). Except as otherwise specifically provided herein, Tenant acknowledges that the Premises are leased to the Tenant an an "AS IS, WITERE IS" basis.
- 3.2 Tartet Tender Date. Landlord shall tender passession of the Premises ta Tenant an ar before the Target Tender Date, provided hawever that if for any reason Landlord is mable to so tender, Landlord shall have an additional thirty (30) days to tender possession of the Premises, provided Landlord is diligently pursuing said tender.

- Monthly Rent: Manthly Rent, including both Minimum Rent and all other monthly payments and charges provided under the Specific Lease Provisions, shall accrue hereunder from the Rent Commencement Date, and shall be payable to Landlord at Landlard's Past Office Bax Address. Monthly Rent shall be payable in advance, without notice, demand are nifiset. All other installments of Monthly Rent shall be due on the first day of each calendar month succeeding the Rent Commencement Data during the Lease Term. If the Rent Commencement Date is other than the first day of the calendar month, then the Monthly Rent for such fractional month shall be provided based on the ratio of number of days remaining in such calendar month to the number of days in such calendar month. Monthly Rent during the Option period shall increase as set forth in Article 13 of the Specific Lease provisions.
- Late Payment. In the event any payment of Monthly Rent is received more than ten (10) days after the due date for any reason whatsoever it is agreed that the Monthly Rent for the month shall be increased by an amount equal is five (5%) percent of the tutal Monthly Payment. If any Monthly Rent shall remain unpaid for thirty (30) days after the payment is due, and after written demand for same from Landlord is Tenant, the Menthly Rent for that month shall be further increased by an additional from (5%) percent (for a total of 10%). Any such increases shall be payable as Additional Rent hereunder and shall be payable immediately on demand. If any such increases in Additional Rent is payable more than three times during any calendar year, the Landlord may terminate the Lease by giving thirty (30) days written notice to Tenant shall have not right to cure such default. If twice during the Lease Term a Tenant check shall be returned unpaid by Tenant's bank, Landlord may require, by giving written notice to Tenant (and in addition to any penalty arising out of the above), that ell future rent payments be made by eastly, eashing's check, ar money arder, and that the delivery of Tenant's personal or emparate check will us longer constitute a payment of rent provided in this Lease. Any acceptance by personal ar carminate check will not longer constitute a payment of rent provided in this Lease. Any acceptance by personal ar carminate check will not be constituted as a subsequent various of each rights. corpurate check thereafter by Landlord shall not be construed as a subsequent waiver of said rights.

- CDMMON AREAS 5.1 Cummor Chammon Area Defined. The term "Common Area" is defined as that part of the Mall made available by Landlord from time to time for the common use of all tenants, including, among other facilities, parking areas, sidewalks, landscaping, curbs, truckways, delivery passages, loading areas, mails, public mailets, public meeting rooms, private streets and alleys, lighting facilities, drinking fountains and the like, but excluding areas reserved for the exclusive use of tenants and space in buildings designed for rotal or commercial purposes as the same may exist from time to time, and further excluding streets and alleys maintained by a public authority. Landlord reserves the absolute and unfettered right to subdivide and sell areas of the Mull site, east from time to time, and number exclusing success and eacy maintained by a priorit authority. Landord reserves the absolute and unfettered right to support an east of the Mail site, subject in Tenent's nan-exclusive right of ingress, egress, edgess, e and Tenant's Primary Area. Tenant, end its employees, customers and invitees shall have the nanexclusive right to use the Common Area as constituted from time to time, such use in be in common with Landlard, other tenants of the Mall and other persons entitled in use as Landlard may from time to time prescribe. Tenant shall not take any action which would interfere with the rights of other persons to use the Common Area. Landlard may temporarily close (i.e., for twenty-four (24) hours) any part of the Common Area for such periods of time as may be necessary to prevent the public from ablaining prescriptive rights or to make repairs or alterations.
- 5.2 Maintenance. Landlard shall be responsible for the maintenance of the Comman Area, and the manner of maintenance and the expenditures therefore shall be in the sole discretion of Landlard, provided ha wever that such maintenance shall be consistent with retail shapping centers located on James Campbell Boulevard and in the State of Tennessee. Landlord agrees to regularly cut the grass on the Mall Praperty as configured or reconfigured from time to time. Landlord shall maintain the buildings and parking areas in a reasonable and good condition so as to not reflect poorly on the Premises from an aesthetic viewpoint.

Vr. USE AND CARE DF PREMISES

- 6.1 Pennited Use and Continuous Operation. The Premises shall be used anly for the Pennited Use specified in the Specific Lease Pravisions. Tenant shall not use the Premises in any manner which would violate the exclusive rights of any other existing Tenant as outlined in Exhibit "F".
- Tenant's Use and Insurance. Tenant shall not, without Landbord's prior written causent, keep anything within the Premises or use the Premises for any purpose which increases the insurance premium cost or invelidates any insurance policy carried by Landlord an the Premises or other parts of the Mall. All property kept, stered ar maintained within the Premises by Tenent shall be at Tenant's sale risk.
- Noxious Use. Tenant and Landlurd shall not permit any objectionable or unpleasant odars or any saunds to congrate from the Premites or the Mail. Tenant and Landlord shall not place at permit any radia, television, loudspeaker or amplifier on the roaf at fantside the Premises for the Mell. Tenent and Landlord shall not take any other action which would disturb at endanger tenants of the Mall ar unreasonably interfere with their use of their respective premises. Tenant and Landlard shall not do anything which would tend to injure the reputation of the Premises or the Mall. Tenant shall not place any antenna, awning or other projection on the exterior of the Premises.
- Maintenance. Tenant shall take gond care of the Premises and keep the same free from waste at all times. Tenant shall keep the Premises and sidewalks, serviceways and laading eress adjacent to like Premises and in the Common Areas it uses for the dispusal of trash and grease, nent, clean and free fram dirt, grease and rubbish at all times, and shall store all trush and garbage within the Premises, and the removal of garbage and trash shall be made only in the manner and areas prescribed from time to time by Landlord. Tenant shall not operate an incinerator are burn trash or carbane within the Mall. Tenant shall cantract far and provides pest control service far the Premises. The parking lot lights within Tenant's Primary Area that are wired into Tenant's electrical panel shall be lighted from dusk until ane (1) hour after the last retailer in the Mall closes each night (i.e., 10:00 PM on Mandays through Saturdays and 700 PM on Sundays).

_ Tenant's Initials Landlord's Initial

- Prohibited Use. Tenant shall not use the Premises and Landford shall not use the Mall, or permit or fail to prevent the Premises or the Mall to be used (a) for any purpose for in any manner that violates any laws, ordinances, or governmental regulations or which is a public or private muisance or which would result in an increase in Tenant's or Landford's insurance premiums for the Mall, (b) for the sale or display of pornography, nuddy, graphte violence, drug paraphemalis, or any goods or services that are inconsistent with the image of a family-oriented mall, (c) as a massage parlor, adult bookstore or second-hand store, or (d) to conduct an auction, distress, fire, bankruptcy or going-out-of business sale or similar sales. Tenant and Landford shall not display any signage or other advertising medium that is inconsistent with the image of a family-oriented mall.
- 6.6 <u>Display Windows</u>. Tenant shall maintain all display windows in n neat, attractive condition, and shall keep all display windows, signage and lighting within and in front of the Premises lighted during all Mall operating hours as designated from time to time by Landlord. No flyers, homemade or other marketing materials to be not in keeping with a first-class mall, shall be displayed, taped or offixed to the Premises.

6.7 Hazardons Materials.

(a) In General. Tenant and Landlord shall not use, generate, manufacture, produce, store, transport, treat, dispose or pennit the escape or release on, under, or from the Premises or the Mall of any Hazardous Materials. If Tenant's Permitted Use requires the use or storage of any Hazardous Materials on, under or about the Premises, Tenant shall fully and promptly comply with all Hazardous Materials Laws at all times during the Lease Term, and at the expiration or earlier termination of the Lease Term, Tenant shall remove and dispose of all Hazardous Materials affecting the Premises and the Mall resulting from the use or occupancy thereof by Tenant or Tenant's agents, employees, suppliers, contractors, subtanants, successors and assigns.

(b) Indemnity. Tenant and Landford shall indemnify, protect, defend and hold the other (and the other's partners, joint ventures, shareholders, affiliates and property managers, and their respective officers, directors, employees and agents) and the other's Mortgagee, if any, harmless from and against any and all Claims arising out of, in connection with, or directly or indirectly arising out of the use, generation, manufacture, production, storage, treatment, release, disposal or transportation of Hazardous Materials by the indemnitor, or their respective agents, contractors, employees, licensees, or invitees, on, under, about or from the Premises or the Mail. Any defense of Tenant or Landford pursuant to the foregoing indemnity shall be by counsel reasonably acceptable to Tenant or Landford, respectively. Tenant's and Landford's obligations hereunder shall survive the termination or expiration of this Lease.

(a) Reporting. Tanant and Landlord shall notify the other in writing, immediately after any of the following: (I) either Tenant or Landlord has knowledge, or has reasonable cause to believe, that any Hazardous Malerial(s) have been released, discharged or located on, under or about the Premises or the Mall, or (ii) either Tenant ar Landlord receives any warning, notice of inspection, notice of violation or alleged violation, or either Tenant or Landlord receives notice or knowledge of any proceeding, investigation, order or

enforcement action, under any Hazardous Materials Low regarding the Premises or the Mail.

(d) Definitions. "Hazardous Materials" means any chemical, compound, material, substance or other matter. (a) defined as a hazardous substance, hazardous material or waste, or toxic substance under any Hazardous Materials Law, (b) regulated, controlled or governed by my Hazardous Materials Law or other legal requirements, (c) petroleum or a petroleum product, or (d) asbestos, formaldelyde, or radioactive material. "Hazardous Materials Laws" means any and all legal requirements relating to Hazardous materials or environmental conditions on, under or about the Premises or the Mali.

VII, MAINTENANCE AND REPAIRS

- 7.1 Landlord's Obligations. Unloss otherwise agreed to herein, Landlord shall not have any ongoing maintenance obligations with respect to the Premises.
- 7.2 Tenant Obligations. Tenant shall keep the Prantises in good clean condition and make all needed repairs and replacements to the Promises, including without limitation, to the roof, HVAC system, glass, windows, doors, exterior and interfor openings, opening and etosing devices, frames, moldings, looks and hardware, lighting, electrical, heating, air conditioning and plumbing systems, fixtures, ducts, conduits, fire protection and sprinkler systems, pipes, wiring, electrical, plumbing, and other utility outlets, fixtures, bubbs, and tubes. In addition, Tenant shall also make any repairs to the Premises or the Mall Site occasioned by the act or negligence of Tenant, its agents, employees, sub-lenants, licensees, concessionaires and invitees. Tenant shall keep and maintain the Premises in a clean, sanitary and safe condition in accordance with applicable law and all directions, rules and regulations of the health officer, fire marshal, building inspector or other proper officials of the governmental agencies having jurisdiction and Tenant shall comply with all requirements of law, ordinances and otherwise, affecting the Premises (including, without limitation, the installation of grease traps, backflow regulators and fire protection devices. Tenant also agrees to comply with requirements of any insurance underwriters, inspection bureaus or a similar agency designated by Landlord with respect to the Premises. At the end of the Term, Tenant shall surrender the Premises in good order, condition and repair, cassonable wear and tear excepted. Tenant, at its own expense, shall install and maintain such fire extinguishers and other fire protection devices as may be required from time to time by any agency having jurisdiction theraof or by the insurance underwriter insuring the Mall Site upon which the Premises are located. If any repairs required to be made by Tenant under this Lease are not made within thirty (30) days after written notice delivered to Tenant by Landlord, or such longer period if such repair is not s
- 7.3 HVAC. Tenant shall maintain a maintanance contract from a certified air conditioning maintenance firm providing for quarterly inspection and servicing of any HVAC in accordance with generally accepted standards and shall provide Landlord with copies of such maintenance contract and/or maintenance records within ten (10) days after receipt of Landlord's request. Tenant shall keep the HVAC in good working order, repair and condition throughout the Lease Term and shall make any necessary repairs or replacements in connection therewith. In no event shall the premises be deemed surrendered until Tenant has provided Landlord with a certification from a reputable HVAC contractor that the HVAC system is in good working order, repair and condition.

VIII, <u>ALTERATIONS</u> ·

- 8.1 Alterations. All alterations, additions, improvements and fixtures (other than unattached, movable trade fixtures) which may be made or installed by either party upon the Premises including any floor covering cemented or adhesively attached, shall remain upon and be surrendered with the Premises and become the property of Landlerd at the termination of this Lease.
- 8.2 Construction. All construction work done by Tenant or Landlord within the Premises (including, without limitation, the Tenant Construction Obligations, and any alterations performed in accordance with this Article) shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and in such munner as to cause a minimum of interference with the transaction of business in the Mall. In addition, all such construction work shall be performed in compliance with Exhibit "C" and Exhibit "D". Both Tomant and Landlord a grees to indomnify and hold the other harmless against any loss, liability or durange resulting from such work.
- 8.3 Mechanics Liens. Tenant shall keep the Promises and all other parts of the Mall free from any and all liens arising out of any work performed, materials famished or obligations incurred by or on behalf of Tenant. Within ten (10) days after written request therefore by Landlord, Tenant shall (a) bond against or discharge any mechanics or materialmens' lien or (b) famish Landlord with a copy of the recorded waiver of lien, recorded release of lien, or of the recorded bond discharging such tien. Tenant shall reimburse Landlord for any and all costs and expenses including, without limitation payment of the lien (if applicable), attorneys' fees, which may be incurred by Landlord by reason of the filing of any such liens and/or removal of same, such reimbursement to be made within ten (10) days after receipt by Tenant from Landlord of a statement setting forth the amount of such costs and expenses such reimbursement to be paid to Landlord in the manner and at the place provided in this Lease.

IX. LANDLORD'S RIGHT OF ACCESS: USE OF ROOF

- 9.1 Landlord's Right of Entry. Landlord shall have the right to enter the Premises at any time following reasonable notice to Tenant for the purpose of inspecting the same, or for making repairs, alterations or additions to adjacent premises. Landlord shall use reasonable care not to interfere with Tenant's business during such repairs and alterations.
- 9.2 Roof. Following the installation of the new roof by Landierd, Tenant shall maintain the roof in a leak free manner using a contractor approved by the roof manufacturer so as to keep the warranty in effect. Tenant's ongoing maintenance of the HVAC shall be coordinated with Landlord so that Landlord may have a representative present during such maintenance to insure that no damage to the roof is suffered. Tenant shall not build any additions or mezzanines on or above the roof.
- X. SIGNS; FRONT ENTRY

Landlord's Initials Tenant's Initials

- Tenant's Signs and Front Entry. Except as otherwise permitted, Tenant shall not, without Landlard's prior written consent which shall not unreasonably be withheld (a) make any changes in the front entry or (b) install any exterior of the Premises, excepting only dignified displays of customary type for its display windows. The parties contemplate the construction by Tenant of a porte-cochère an the north side of the Premises in a canfiguration to be approved by Landlard. Tenant's front entry and all signs, lettering, placards, decorations and advertising media shall conform in all respects to all legal requirements, and shall be subject to Landlard's approval with respect to the shape, size, weight, lighting, color, general appearance and method of attachment. Tenant shall keep all signs and Tenant's front entry in good condition and in proper operating order at all times.
- 10.2 Landlard may display an appropriate "Far Rent" sign on the exterior of the Premises for the period commencing six (6) months prior to the end of the Lease.

XL UTILITIES

- 11.1 Landtord's Obligations. Landtord agrees to provide at the Rent Cammencement Date the utility service cannections currently in place necessary to supply water, electricity, telephone service and sewerage service to the Premises. Any required increase in capacity for Terant's exclusive use from what is currently in place shall be Tenant's responsibility to provide.
- 11.2 Tenant's Obligations. Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewerage service and other utilities furnished to the Premises including initial cannection charges and shall furnish all electric light builts and tubes.
- 11.3 Trash Removal Charge. Tenant, at Tenant's expense, shall at all times keep the Premises orderly, neal, safe, clean and free from rubbish and dirt, and shall store all trash and other salid waste within the Premises or in a compactor (for ordinary rubbish) and a medical industry appropriate castainer for medical waste both as provided by Tenant in an area approved by Landlord, and Tenant shall cause same to be emption in regular intervals. Tenant shall be solely responsible far and shall promptly pay all fees and charges far trash removal required to properly service the Premises.

XIL INDEMNITY AND PUBLIC LIABILITY INSURANCE

- Tentor Indennity. Tenant shall indennify, protect, defend and hald Landlard (and Landlard's partners, joint venturers, shareholders, mortgagees, affiliates and property managers, and their respective officers, directors, members, emplayees and agents) hamless from and against any and all claims, costs, loss, liability, damage or expense (helding without limitation, reasonable attorneys fees and court costs) ("Claims") arising out of or in connectian with loss of life, personal injury, property damage, economic loss or other damages arising from (a) line use, occupation, improvement ar maintenance of the Premises or any work or cativity in the Premises by Tenant's resignees or subtenants or their respective agents, employees, contrectors, licensees or invitees, (b) any activity, condition or accurrence in the Premises, (c) the filing or potential filing of any mechanic's ar materialmen's lien against the Premises or the Mall in connection with any work done or caused to be done by Tenant, (d) any breach or failure to perfarm any obligation imposed an Tenant under this Lease, or (e) any act or omission of Tenant or Tenant's assignees or subtenants or their respective agents, cantimeters, employees, custamers, invitees or licensees, except to the extent such Claims arise out of or in connection with the gross negligence or willful misconduct of Landlord. Upan nuttice and request from Landlord, Tenant shall, at Tenant's sale expense and by caused satisfactory to Landlord, defend any action or proceeding brought against Landlard by reason of any such Claim. If Landlord (or Landlord's partners, joint venturers, affiliates, shareholders, Mortgagen and property managers, or their respective afficers, directors, employees and agents) is made a party to any litigation commenced by or against Tenant and for which Tenant is abligated under this section to indemnify Landlord, then Tenant shall indemnify, protect, defend and hold each of such persons harmless from and against any and all Claims arising and of, Incurred or pa
- Landlard Indennity. Landlard shall indemnify, protect, defend and hald Tennat (and Tenast's partners, joint venturers, sharehalders, mortgagees, affiliates and property managers, and their respective officers, directors, members, employees and agents) harnless from and against any and all claims, costs, loss, liability, damage or expense (including without initiation, reasonable attorneys fees and court costs) arising out of ar in connection with lass of life, personal injury, property damage, economic loss or other damages arising from (a) the use, occupation, improvement or maintenance of the Common Area or any work or activity in the Premises by Landlard ar its respective agents, emplayees, contractors, licensees or invitees, (b) any activity, condition or occurrence in the Common Area, (c) the filing ar potential filing of any mechanic's or materialmen's lien against the Premises or the Common Area in connection with any work done or caused to be done by Landlard, (d) any breach or failure to perform any obligation imposed on Landlord under this Lease, at (e) may act or amission of Landlord or Landlord or Landlord's respective agents, contractors, employees, customers, invitees or licensees, except to the extent such Claims arise out of or in cannection with the gross negligence or willful misconduct of Tenant. Upon natice and request from Tenant, Landlard's sole expense, defend any action are proceeding brought against Tenant by reason of any such Claim. If Tenant (or Tenant's partners, joint venturers, affiliates, shareholders, Martgagee and property managers, or their respective officers, directors, employees and agents) is made a party to any litigation commenced by or against Landlord and for which Landlord is obligated under this section to Indemnify Tenant, then Landlord shall indemnify, protect, defend and hald each of such persons horized and all Claims arising out of, istented or paid by any such person in connection with the litigation. Landlord, as a material-part of the consideration to Tenant
- Insurance. Tenant shall procure and maintain throughout the Lease Term a policy or policies of (I) camprehensive general liability insurance with broad form contractual fiability coverage, at its sale cost and expense, insuring both Landlord and Tenant against all claims, demands or actions arising out of a rin connection with Tenant's indemnity obligations set forth in this Lease; the limits of such pelicy or palicies to be in an amount of not less than \$1,000,000 in respect of injuries or death due to any one accident or disaster, and in an amount of not less than \$1,000,000 in respect to property damage, and

 (ii) property insurance cavering any peril generally included in the classification "all risks" covering all merchandise, improvements, and personal property owned or leased by Tenant (or for which Tanant is legally liable) and located in the Premises or Mail Praperty, in an amount not less than one hundred percent (100%) of their full replacement cost. Tenant shall pravide Landlord at its Post Office Box address with a copy of such insurance with Landlord named as an Additional Insured prior to Tenant taking possession of the Premises. All such insurance shall be written by insurance companies licensed to do business in Tenassase and otherwise satisfactory to Landlord. Such policies or only executed certificates of insurance shall be promptly delivered to Landlord and renewals thereof shall be delivered to Landlord at least thirty days prior to the expiration of the respective policy terms. If Tenant should fail to comply with the foregoing requirements relating to insurance, Landlord any obtain such insurance, and Tenant should fail to comply with the foregoing requirements relating to insurance, Landlord mith repaid by Tenant.

Landlard has and will maintain throughout the Lease Term a policy or policies of (i) comprehensive general liability insurance with broad farm contractual liability coverage insuring both Landlard and Tenant against all claims, demands or actions arising out of or in cannection with Landlard's use at occupancy of the Common Areas, or Landlard's indemnity obligations set forth in this Lease, and (ii) property insurance covering any peril generally included in the classification "all risks" covering all improvements and personal property owned by Landlard (or for which Landlard is legally liable) and located outside of the Premises, in an amount not less than one hundred percent (100%) af their full replacement cost. All such insurance is written by insurance at the request of Tenant,

XIII, DAMAGE BY CASUALTY

13.1 Landtord's Obligation to Rebuild. Tennet shall give immediate written notice to Landlord of any damage caused to the Premises by fire or other casualty. In the event that the Premises shall be damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance and Landlord or Tenant does not elect to terminate this Lease as hereinafter provided, Landlord shall praceed with reasonable diligence and at its sole cast and expense to rebuild and repair Premises, and this Lease shall continue in force and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, the Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, the Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, then Landlord or Tenant and effect. If the Premises is damaged by fire or other casualty, the Landlord or Tenant does not effect. If the Premises is damaged by fire or other casualty, the Landlord or Tenant does not effect. If the Premises is damaged by fire or other casualty, the Landlord or Tenant does not effect. If the Premises is damaged by fire or other casualty, the Landlord or Tenant does not effect. If the Premises is damaged by fire or other casualty, and this Lease as an effect. If the Premises is damaged by fire or ot

- Tenant's Obligation to Rebuild. Tournt agrees that promptly after completian of such work by Landlord, Tenant will proceed with reasonable diligence and at Tenant's 13.2 sale cost and expense to restore, repair and replace any alteratians, additions, improvements, fixtures, signs and equipment installed by Tenant, which alteratians are contemplated to be substantial, but specifically excluding the HVAC units provided by Landlard. Tenant agrees at all times to keep its fixtures and other property situated within the Premises insured against fire and alber
- 13.3 Absternent. Tenant agrees that during any period af reconstruction or repair of the Premises it will continue the operation of its business within the Premises to the extent practicable. During the period from the occurrence of the casualty until Landford's repairs are completed, the Minimum Rent shall be reduced proportionately to such extent as the Premises can be used under the eircumstances.
- 13.4 Waiver of Subrogation. Landlard and Tenant each hereby release the other from any and all liability at responsibility to the other or anyone claiming through or under them by way of subrogation for any lass or damage specifically insured against, at required by the terms hereof to be insured against by such party, or anyone for whom such party may be respansible. Each party agrees to cause its insurance policies to contain a clause pursuant to which the insurer (a) waives all right of subrogation against the other party for losses covered by such policy and (b) agrees that such policy shall not be invalidated because the insured has hereby waived any right at recovery far losses covered by such policy.

XIV.

- EMINENT DOMAIN
 14.1 Taking Re Taking Resulting in Lease Termination. If any of the floor area of the Premises, Tenant's Primary Area, or Tenant's Protected Area should be taken for any public or quasi-public use under any governmental law, ordinance or regulation at by right of emineut damain at by private purchase in lieu thereaf, this Lease shall terminate. Upon any such termination the rent shall be abated during the unexpired partion of this Lease, effective an the date physical passessian is taken by the candemning authority.
- 14.2 Condemnation Proceeds. All compensation awarded far any taking (or the praceeds of private sale in lieu thereof) of the Premises or Common Area shall be the praperty of Landlord, and Tenant hereby assigns its interest in any swent award to Landlord; provided however, Landlord shall have no interest in any award made to Tenant for loss of business or for the taking af Tenant's fixtures and other personal property if a separate award for such items is made to Tenant.

XV. <u>ASSIGNMENT AND SUBLETTING</u>

Assignment and Subjetting by Tenant. Tenant shall not assign, mortgage, encumber, ar in any manner transfer this Lease or any estate or interest therein, or subjet the 15.1 Premises or any part thereaf, or grant any license, concession or alter right of occupancy of any portion of the Premises other than to an affiliate of Teaant without the prior written consent of Landlord, which Landlord may grant or deny in its reasonable discretion. Prior to any transfer of this Lease, Tenant shall provide the following information to Landlord:

Name, address and ownership of the proposed transferee.

- (A) (B) Current balance sheet and profit and loss statement far the proposed transferee envering at least three (3) years, which shall be certified as true and correct by the proposed transferee.
- (Ç) A full description of the terms and conditions of the proposed transferce, including copies of all purchase and sale agreements.

(D) A full description of the proposed use of the premises by the proposed transferee.

(E) A list of personal, business and credit references of the proposed transferee.

Natwithstanding any assignment or subletting Tenant and any guarantor of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and highle for the payment of the Rent herein specified and for campliance with all af its after obligations under the Lease.

15.2 Assignment by Landlord. In the event of the transfer and assignment by Landlord of its interest in this Lease and the Mall containing the Premises to a person expressly assuming Landlord's obligations under the Lease, Landlord shall thereby be released from any further abligations bereunder, and Tenant agrees to attorn to and look solely to such successor in interest of the Landlard for performance of such obligations. Any Prepaid Rent Depasit, Security Deposit or other security given by Tenant to secure performance of Tenant's obligations hereunder may be assigned and transferred by Londlord to such successor in interest, and Landtard shall thereby be discharged of any further obligation relating thereto. Tenant agrees promptly to execute such documents as shall evidence recagnition of such succession ta Landlard and altomment by Tenant.

XVI. PERSONAL PROPERTY TAXES: RENT TAX: AD VALOREM TAXES

- Tenant's Personal Property. Tenant shall be liable for and shall pay prior to delinquency all taxes levied against personal property and fixtures placed by Tenant in the Premises. If any such taxes are levied against Landlord or Landlord's property and Landlord offeets to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and fixtures placed by Tenant in the Premises and Landlard elected to pay the taxes based on such increase. Tenant shall pay ta Landlard upon demand that part af such taxes for which Tenant is primarily liable hereunder.
 - Rent Tax. In the event a lax on rentals is now or hereafter imposed, such tax shall be paid upan demand by Tenant to Landlard as Additional Rent hereunder. 16.2
 - Ad Valorem Taxes. Landlard shall pay all ad valorem taxes assessed against the Premises. 16.3

XVII. **DEFAULT AND REMEDIES**

- Default by Tenant. The following events shall be deemed to be events of default by Tenam under this Lease:
- (A) The failure by Tenant to make any payment of Minimum Rent, Additional Rent, Monthly Rent or any after payment required to be made by Tenant hereunder (collectively, "Rent") within ten (10) days of when such payment is due, or
- (B) The failure by Tenant to observe at perform any of the covenants, conditions or provisions of this Least to be observed or performed by Tenant, other than Paragraph (A) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant; or

- (C) The insolvency of the Tenant or the execution by Tenant of an assignment for the benefit of creditors; or
- (D) The filing by or for rearganization or arrangement under any law relating to bankruptcy or insalvency; or
- (E) The appointment of a receiver or trustee to take passession of substantially all of Tenant's assets located at the Prantises or of Tenant's interest in this Lease.

Upan the occurrence of any such events of default, Landlord shall have the option to pursue any one or more of the following remedies upan ten (10) days prior written natice as to the magetary default set fault in (A) above, and upan thirty (30) days prior written notice as to the nan-manetary defaults set forth in (B), (C), (D), and (E) above, provided that if the same is not susceptible to being cured within thirty (30) days, then such longer time period as necessary so long as Tenant is reasonably and diligently pursuing the cure:

- A. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which Landlord may have for possession or arrearaga in rent, enter upon and take possessian of the Premises and expel or remove Tenant and any other person wha may be accupying said Premises or any part thereof, without being liable far prosecution or any claim of damages therefor; and Tenant agrees ta pay to Landlord an demand the amount of all loss and damage which Landlord may suffer by reason of such terminatian, whether through inability to relet the Premises an satisfactory terms or otherwise.
- B. Enter upon and take possession of the Premises and expel or remane Tenant and any other person wha may be occupying said Premises or any port thereof, without being liable for prosecution or any claim for damages therefor, and, if Landlord so elects, relet the Premises on such terms as Landlord may deficiency that may drive by reason of such reletting. No re-entry or re-taking passession of the Premises by Landlard shall be construed as an election to terminate this Lasse.

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Landlard's Initials,

unless Landlord furnishes to Tenant a written notice of termination.

- C. Enter upon the Premises, without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease; and Tonant agrees to reinburse Laudlord on demand for any expenses which Landlord may incur in this effecting compliance with Tonant's obligation under this Lease, and Tenant further agrees that Landlard shall not be liable for any damages resulting ta the Tenant from such setion.
- D. Enter upon the Premises and post a "For Rent" sign.

Pursuit of any of the foregoing remodies shall not preclude pursuit of any other remedies herein provided or provided by law, nor shall pursuit of any other such remedy constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violatian of any of the terms, provisions and covenants herein contained. Forbearance by Landlerd to enforce one or more of the remedies herein provided upon an avent of default, shall not be deemed or construed to constitute a waiver of such default. In determining the amount of loss or damage which Landlord may suffer by reason of terminatian of this Lease or the deficiency arising by reason of any reletting by Landlord as above provided, ellowance shall be made for the expense of repossessian and any repairs or remodeling undertaken by Landlord following repossessian, and then shall be added to the Minimum Rent herein provided for the period from the dole of an event of defoult until the end of the Lense Term.

- Default by Landlord. If Landlord shall fail to perform or observe any of the representations, covenants, obligations, provisions, or conditions contained in this Lease on its part to be performed or observed, which continues for a periad of more than thirty (30) days ofter receipt of written notice from Tenant specifying such default, or if such default is of a nature to require more than thirty (30) days for remedy and cantinues beyond the time reasonably necessary to cure (provided Landlord must have undertoken procedures to cure the default within such thirty (30) day period and thereafter diligently pursues such efforts to cure to completion). Tenant may, at its option, (i) incur reasonable expense necessary to perform the obligation of Landlord specified in such notice and withhold from its payment of Total Rent an amount equal to the costs thereof, (ii) bring an action for actual damages against Landlard, or (iii) tenninote this Lease, provided however that if Tenant elects to terminate this Lease pursuant to this paragraph, Landlord shall have an additional thirty (30) days after receipt of the written notice above to care such default and void the termination.
- Attorney's Fees. In the event that at any time during the Lease Term either Landlord or Tenant shall institute only action or proceeding against the other relating to the provisigns of this Lease or any default hereunder, then, and in that event, the unsuccessful party in such patien or proceeding agrees to reimburse the successful party for the reasonable expense of attamoy's fees and disbursoments incurred therein by the successful party.
- Whivers. Tenant expressly waives any and all rights of redemption granted by or under any present or future laws if Tenant is evicted or dispossessed for any cause or if Landlord abtains possession of the Premises by reason of the violation by Tonant of any of the terms, covenants and conditions of this Lease or otherwise. Tenant hereby waives its right to jury trial in the event of any legal action relating to or affecting the rights of Landlord or Tenant under this Lease.
- Interest on Unpaid Amounts. Any amounts which may be owing by Tenani to Landford or from Landford to Tenant which remain unpaid for more than five (5) days after the due date shall accrue interest at the rate of the lesser of (i) four percent (4%) over the Prime Rate as set forth in the Wall Street Jaurnel, and (ii) the highest amount permitted by law (tie "Interest Rate").

XVIII.

SUBORDINATION & ESTOPPEL
This Lease is subordinate to any Landlord mortgage, deed of trust, or deed to secure debt (hereinafter referred to as "Mortgage") that may now or hereafter be placed upon the Mall and Into Lease is snoordinate to any Landford mortgage, deed of must, or deed to secure out (arreinator referred to as Mortgage or holder of a deed of trust accepts the Premises subject to this Lease. If Landford sells, transfers, or conveys Landford's interest in the Premises or this Lease, or if the same is foreclosed judicially or nonjudicially, or otherwise acquired, by a Mortgage, upon the request and at the sole election of Landford's successor, Tenant shall inform to said successor, provided said successor accepts the Premises subject to this Lease. Tenant also agrees that any Mortgagee may elect to have this Lease made prior to the lieu of its Mortgage, and in the event of such election and upon notification of such Mortgage to Tenant to that effect, this Lease shall be Mortgagee may elect to have this Lease made prior to the item of its Mortgage, and in the event of such election and upon notification of such Mortgagee to Tenant to that effect, this Lease shall be deemed prior in lien to such Mortgagee, whether the Lease is dated or filed prior to or subsequent to the date of such Mortgage. It is the intent of the parties that the foregoing provisions be self-operative. Tenant shall also, within fifteen (15) days after request by Lendlord, execute and deliver to Landlord e written declaration in recordable form prepared by Landlord or Landlord's Mortgagee; (n) ratifying this Lesse and declaring it subordinate to all Mortgages; (b) expressing the commencement and expiration dates thereof; (c) certifying that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated); (d) stating that all covenants and conditions under this Lease to be performed by Landlord have been satisfied (or stating those not satisfied); (e) stating that there are no defenses or offsets against the enforcement of this Lease by the Landlord or stating those claimed by Tenant; (f) stating the emount of advance Rent, if any (or none, if such is the case), deposited when the conditions such other returns as Landlord may reasonably request. Landlord and Landlord's Martgages and nucleages and full shall be gratified to each upper any such declaration provided nursuant to this property. Mortgagees and purchasers of the Mall shall be entitled to rely upan any such declaration provided pursuant to this paragraph.

XIX.

Whenever any notice is required or permitted hereunder such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be sent when deposited with a receipted courter mail service (e.g. Federal Express) or in the United States Mail, postage prepaid, Certified or Registered Mail, Return Receipt Requested, addressed to the porties hereto at the respective addresses set out in the Specific Lease Provisions (even if Tenant shall have vacated) or at such other eddresses as the party receiving notice shall have theretofere specified by written notice and shall be decined (whether or not actually received) on the date delivery is attempted by the courter mail service or the United States Mail. If "Tenant" is apecined by which notice make a meaning and the properties of them shall join in executing any such written notice specifying a different address, or Landlord may elect to disregard such change of address. In the oven that Tenent moves, Tenent shall notify Landlord in writing within ten (10) days of such new address.

SURRENDER OF POSSESSION

Upon expiration or earlier termination of the Lease Term, Tenant agrees to deliver the Premises to Landlord, clean and in the same condition and repair as when delivered to Tenant, together with all keys and combinations to looks, safes, vaults and security systems and all improvements, alterations, lighting fixtures, and equipment at any time installed in, upon or to the interior or exterior of the Premises in a permanent manner, all of which shall thereupon become the property of Landlord. Before surrendering the Premises, Tenant shall remove all of Tenant's personal property, sigus, and trade fixtures, including shelving and each wraps, and Tenani agrees to repair any holes, other damage or paint shadows caused thereby. If Tenant shall fail to promptly remove any of Tenant's said personal property or trade fixtures, said property shall, at the option of Landlord, either be deemed abendoned and become the exclusive property of Landlord, or Landlord shall have the right to remove and dispose of said property at the expense of Tenant shall be responsible for all expenses incurred by Landlord therefor. If the Premises are not surrendered as and when aforesaid and after Landlord shall have given to Tenant three (3) days notice to quit, Tenant shall indemnify Landlord against all loss or liability resulting from the delay, including without limitation, claims made by any succeeding occupant founded on such delay and attempts fees and expenses and court costs incurred by Landlord in seeking to retake possession of the Premises,

XXI.

If Tenant falls to timely deliver possession of and vacate the Premises as required, Tenant's occupation thereafter shall be a tenancy at sufferance on the same terms and conditions as this Lease (other than Lease Term), except that Minimum Rem may be increased by Landlord on thirty (30) days written notice. Notwithstanding the foregoing, at Landlord's election, only holding over shall constitute a breach of Tenant's obligation to surrender the Premises, and Tenant shall be liable to Landlord for all damages (including consequential damages related to prospective tenants lost by the holding over) and costs and expenses, including altorney's fees, related thereto, together with interest en all such sums at the interest Rate.

MISCELLANEOUS

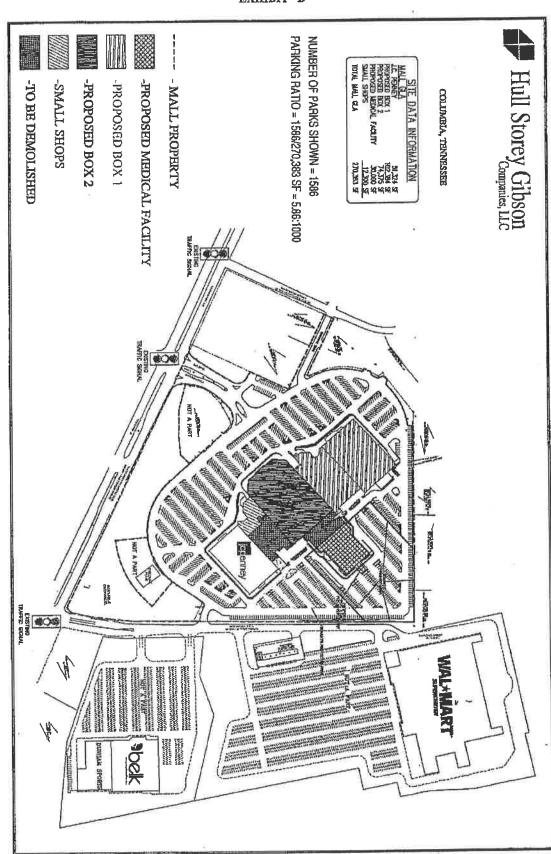
22.1 Relationship. Nothing herein contained shall be deemed or construed by the parties hereta, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant. Whenever herein the singular number is used, the same shall include the plural, and words of gender shall include each other gender.

Contions. The captions used herein are for convenience only and do not limit or amplify the provisions hereof. 22.2

Landlord's Initials Tonant's Initials (An)

- 22.3 No Waiver. One or mare waivers of any breach of covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or candition. Landlerd's acceptance of partial Rent or performance by Tenant shall not be deemed to be an accord and satisfaction of this Lease or of any right of Landlerd to a forfeiture of this Lease by reason of such breach, regardless of Landlerd's knowledge of such preceding breach at the time of Landlerd's acceptance. The consent or epproval by either party to at of any set by the other party requiring such consent or approval shall not be deemed to waive or render tunecessary consent to or approval of any subsequent similar act. No term, covenant or condition of this Lease shall be deemed to have been waived by Landlard unless such waiver is in writing and executed by Landlord.
- 22.4 Force Moleure. Whenever a periad of time is herein prescribed for action in be taken by Landlard, Landlard shall not be liable or responsible for, and there shall be excluded from the computation of any such periad of time, any delays due to strikes, riots, acts of God, shartness of labor or materials, war, governmental laws, regulations or beyond the control of Landlard. At any time when there is outstanding a managage, deed of trust or similar security instrument covering Landlard's interest in the Premises, Tenant may not exercise any remedias for default by Landlard hereunder unless and until the holder of the indebtedness secured by such managage, deed of trust or similar security instrument shall have received written notice of such default and a reasonable time for carring such default shall thereafter have elapsed.
- 22.5 Quiet Enjoyment. Landlord agrees that if Tenant shall perform all of the covenants and agreements berein required to be performed by Tenant, Tanant shall, subject to the terms of this Lease, at all times during the continuance of this Lease have the peaceable and quiet enjoyment and possessian of the Premises fram and against anyone claiming by, through an under Landlord.
- 22.6 Entire Agreement. This Lease cantains the entire agreement between the parties, and no agreement shall be effective to change, madify or terminate this Lease in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.
- 22.7 Controlling Law. The laws of the State of Tennessee shall govern the interpretation, validity, performance and enforcement of this Lease. If any provision of this Lease shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.
- 22.8 Successors and Assigns. The terms, pravisions, and cavenants contained in this Lease shall apply to, inure to the benefit of and be binding upon parties hereto and their respective heirs, successors in interest and legal representatives except as otherwise herein expressly provided.
- 22.9 Tenant is more than one person, carporation or other entity, all persons, corporations and other entities constituting Tenant shall be jointly and severally liable as Tenant hereunder.
- 22.10 Brokers. Tenant warrants to Landford that all) negotiations with respect to this Lease (including, without limitation, preliminary consideration of the Premises, relevant economics and final Lease provisions) were accomplished without the aid, intervention at employment of any broker or finder, of any kind. Tenant shall indemnify, protect, defend and hold Landford's partners, joint venturers, affiliates, shareholders and property managers, and their respective officers, directors, employees and agents) harmless from and against any and all Claims arising out of or in connection with any Claims made by any person claiming to be a broker or finder with regard to this Lease other than the Brokers, including, without limitation, Claims for commissions and all costs of enforcing this indemnity against Tenant. The obligations of this Section shall survive the expiration at earlier termination of this Lease.
- 22.11 No Option. The submission of this Lease to Tenant for examination does not constitute a reservation of an option for the Premises and this Lease becomes effective only upon execution by Landlard and Tenant. Tenant acknowledges that Landlord or Landlard's agents and employees have made no representations or promises, either express or implied, with respect to the Premises or the Mail except as herein expressly sel forth, and Tenant further acknowledges no rights, essements, or licenses are equired by Tenant by implication or otherwise, except as herein expressly sel forth.
- 22.12 Security. Tenant shall be salely responsible for providing security, if any, far the Premises. Tenant acknowledges that Landlard is not an insurer of security for the Premises or the Common Areas and that although Landlord may undertake to provide security for the Common Areas from time to time, Landlard is relying on Maury Caunty or the City of Columbia to provide faw and order at the subject property. Tenant hereby releases Landlord from and against any and all claims, actions or causes for alleged liability associated with the security of the Premises or Common Areas.
- 22.13 Warranty of Authority. If in any event Tenant is a corporation of partnership, Tenant represents and warrants that it is duly formed and in good standing, and has full corporate or partnership power and multiority, as the case may be, to enter into this Lease and has taken all carporate or partnership action, as the case may be, necessary is carry out the transaction contemplated herein, so that when executed, this Lease constitutes a valid and binding obligation enforceable in accordance with its terms. Tenant shall provide Landlord with corporate resolutions or other proof to a form acceptable to Landlord, authorizing the execution of this Lease at the time of such execution.
 - 22.14 Time is of the Essence. Time is of the essence with respect to each and every provision of this Lease.
- 22.15 Memorandum of Lease. This Lease shall not be recorded, but upon execution of this Lease, Lendlord and Tenant will execute and deliver a short farm memorandum of Lease in recordable farm containing the basic provisions of this Lease acknowledging that Tenant has accepted possession and reciting the exact Commencement Date and termination of this Lease. Within thirty (30) days after the expiration or earlier termination of the Leuse Term, Tenant shall execute and deliver to Landlord a notice of termination in a recordable form reasonably acceptable to Landlord and sufficient to cause a little insurance company to insure over such short form memorandum of lease.
- 22.16 <u>Rules and Regulations.</u> Tenont agrees to camply with and observe reasonable rules and regulations for the use of the Cammon Areas as promulgated by Landford from time to time.
- 22.17 Financial Information. Tenant agrees from time-to-lime to provide Landlord with such financial and tax information as Landlord may reasonably request in the event of any Tenant default or Tenant request for a Lease modification.

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LANDLORD CONSTRUCTION OBLIGATIONS

GENERAL I.

All work as described herein, shall be performed in accordance with applicable federal, state, and local codes and shall be executed in a professional and workmanlike manner. The description of the construction work provided by the Landlord is defined herein and in the Lease as the "Landlord Construction Obligations" and shall specifically exclude any work described in the Lease as "Tenant Construction Obligations", and the parties specifically acknowledge that the definition of their respective construction obligations has been a mutual work product, and the document shall not be construed against either party.

Construction Drawings and Photographs

The Construction Drawings and Photographs and any notes thereto shall serve in part to outline and delineate the Landlord Construction Obligations and the Tenant Construction Obligations. The parties may elect to have additional and more detailed drawings made to further refine and define their respective obligations.

2. Delivery

Landlord shall deliver the Premises in the following "dark shell condition":

- Landlord shall remove the partition walls between the Premises and the shop/mall space.
- (a) (b) The columns, beams, ductwork, and structural or mechanical items shall remain in place.
- The exterior demissing walls and the existing fire sprinklers shall remain in place. Any sprinkler revisions required (¢) by additional interior partitions or additional upgrades to the current system or modification of ceiling heights shall be Tenant's responsibility.
- Landlord shall level the concrete floors and remove the carpet/tile/VCT but not grind away any mastic/glue.
- Landlord shall purchase and install four (4) fifteen (15) ton HVAC units and the necessary roof curbs. All HVAC (e) warranties for such newly purchased HVAC units shall be surrendered and transferred to Tenant upon delivery of the Premises.
- Landlord shall replace the existing roof covering the Premises as it currently exists with a new TPO roof with a (f) minimum ten-year manufacturer's warranty. All roof warranties for such newly installed TPO roof shall be surrendered and transferred to Tenant upon delivery of the Premises.
- Landford shall provide the electrical system as it currently exists in AS IS condition.
- Landlord shall purchase and install lighting in the parking areas of Tenant's Primary Area to achieve an overage coverage of four (4) font candles. The parking lot lights in Tenant's Primary Area shall be wired into Tenant's panel.
- Landlord shall install a new demising wall in the location as shown on Exhibit "B"
- Landlord shall install a decorative façade along a major portion of the east side of the Premises.
- Landlord shall remove the existing screen wall.
- (i) (k) (l) Lundlord shall relay the parking area to eliminate and/or relocate existing landscaped islands to create a better view corridor for the Premises.

Partition Walls

Demising partition walls:

- Demising walls between tenants shall be framed of metal studs with gypsum board on both sides extended and (i) sealed to the roof deck. A one hour fire rating is required.
- Demising walls that are masonry constructed will have one layer of gypsum board on metal furring channels to (ii) concent a masonry block wall. The gypsum board shall extend to the finished ceiling height.

LANDLORD'S WORK LIMITED 11.

Landlord's work shall be limited to those matters and items specifically provided herein. Unless Tenant provides advance written notice to the contrary, Tenant's opening for business or commencement of the Tenant Construction Obligations shall constitute Tenant's acknowledgment that the Landlord Construction Obligations have been completed and the Tenant's acceptance of the Premises in their "AS 1S, WHERE IS" condition.

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TENANT CONSTRUCTION OBLIGATIONS

ACCEPTANCE I.

Tenant acknowledges that in the absence of advance written notice to the contrary, Tenant's taking occupancy of the Premises or the commencement of the Tenant Construction Obligations shall constitute Tenant's acknowledgement that the Landlord Construction Obligations have been completed and the Tenant's acceptance of the Premises in their "AS IS, WHERE IS" condition,

DESIGN 11.

- Plans and Specifications 2.1 Unless otherwise provided in the Special Stipulations, within sixty (60) days after the Effective Date, Tenant shall submit to Landlord for Landlord's written reasonable approval detailed plans and specifications (the "Plans and Specifications") of the Tenant Construction Obligations to be performed by Tenant in accordance with all governmental requirements, including without limitation any requirement for architect or engineer stamped drawings, and shall address any and all demolition, drywall, lighting, carpeting, flooring, painting, ceiling, slat wall, electrical, plumbing, signage, storefront, porte-cochère, gates, doors, counters, case goods, countertop, tile, detailed merchandise display and fixture plan, as well as all sample boards relative to colors and materials relative to Tenant's Work. Under separate cover, Tenant shall submit for Landlord's written reasonable approval special plans (the "Special Plans") for any proposed roof penetration or modification to any sprinkler, HVAC, electrical, gas, water, sewer or cable system.
- First-Class Prototype 2.2 The Plans and Specifications shall provide for a first-class prototype to be constructed in the Premises.
- 2.3 Tenant shall employ a registered architect to prepare the Plons and Specifications.
- Approval Process 2.4 Three (3) sets of the Plans and Specifications as well as any Special Plans shall be submitted for Landlord review and reasonable approval, and Tenant shall allow two weeks for the initial review process.
 - All specifications shall be typed and placed on architectural drawings or on a separate 24" x 36" plan sheet. 2.5.1
 - All revisions are to be made by change to the drawings and not by addendum, 2.5.2
 - Tenant's Plans and Specifications or Special Plans shall be reasonably approved by the Landlord prior to any applications for 2.5.3
 - One (I) set of the final revised and approved Plans and Specifications and Special Plans, if any (the "Final Tenant Plans") 2,5,4 shall be returned to the Tenant and marked "Approved for Construction". Such Final Tenant Plans must remain on the jobsite at all times for the use of the Landlord or any designated representative.
- 2.5 Commencement Tenant Construction Obligations shall not commence unless and until Tenant has received Landlord's written approval of the Final Teaant Plans.

III. CONSTRUCTION

- 3.1 Contractor Approval
 - Tenant shall obtain Landlord's prior written reasonable approval of Tenant's general contractor. Landlord may require Tenant to reasonably use Landlord's 100 ling, FIVAC, or any other necessary subcontractors, if any, in order to maintain existing warranties.
 - Landlord, it is sole discretion may require Tenant's Contractor to provide a Five Thousand Dollar (\$5,000.00) Construction Security Deposit prior to the commencement of any work.
- 3.2 Mobilization No mobilization of construction shall occur until the following items have been submitted to Landlord's Tenant Coordinator:
 - Tenant's Certificate of Liability insurance naming Landlord as an additional insured with timits of at least One Million 3.2.1 (\$1,000,000) Dollars for each person and One Million (\$1,000,000) Dollars for each occurrence for bodily injury and One Million (\$1,000,000) Dollars aggregate for property damage.

Tenant's Certificate of Worker's Compensation for all Tenant's employees. 3.2.2

- Contractor's Certificate of Liability insurance naming Landlord as an additional insured with limits of at least One Million (\$1,000,000) Dollars for each person and One Million (\$1,000,000) Dollars for each occurrence for bodily injury and One Million (\$1,000,000) Dollars aggregate for property damage.

 Contractor's Certificate of Worker's Compensation for all of Contractor's employees.
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- A copy of the Demolition (if necessary) and Building Permit. 3.2.5
- Completed W-9 Tax form for Contractor. 3.2.6 Contractor's complete name, telephone number, fax number, email address, and a copy of License.
- 3.2.7 Name and mobile telephone number of Contractor's project manager and project superintendent.
- Copy of Tenant's contract with the general contractor and the construction schedule of values.

Indemnification Against Liens 3.3 TENANT EXPRESSLY ACKNOWLEDGES THAT ALL WORK CONTEMPLATED IN THE TENANT CONSTRUCTION OBLIGATIONS IS FOR THE SOLE BENEFIT OF ITSELF AND THAT PURSUANT TO TENNESSEE CODE ANNOTATED § 66-11-102(D), NO PRIME CONTRACTOR OR REMOTE CONTRACTOR (AS THOSE TERMS ARE DEFINED/IN THE STATUTE)

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COLUMBIA MALL EXCLUSIVES

AMSOUTH BANK

Other than as part of an in-line banking facility, Company shall be the exclusive ATM service provider in the enclosed common areas of the Premises during the term of this Agreement. Mall shall not establish or allow any third party to establish an ATM in the enclosed common area of the Premises during the term of this Agreement.

GAMESTOP

During the Term of the Lease, as a material inducement to Tenant's entering into this Lease, Landlord shall not lease, rent, occupy or permit to be occupied or used, any space in the Shopping Center (including any expansion thereof) to a tenant whose Primary Use is for the sale, resale, trading-in and renting of any one or more of the following items: (a) video games, (b) hand-held and phone entertainment software, (c) personal computer games, (d) hardware accessories and other products related to categories (a) - (c), and (e) any substitutes, new formats or technological evolutions thereof (collectively, the "Exclusive Items"). The provision of this section shall not be construed to prohibit any existing tenant, their successors and assigns or replacements situated within the Shopping Center which has, pursuant to the current terms and provisions of said tenant's lease, the right to handle and sell certain of the Exclusive items, from handling and selling specified items in accordance with said terms. The foregoing restriction shall also not apply to: (i) tenants occupying five thousand (5,000) square feet or more of floor area; (ii) the sale of such items constituting less than five percent (5%) of the gross sales of a tenant; and (iii) the sale of wireless and cellular communications services and equipment, MP3 or other pre-recorded music players, and/or computers and computer hardware and software which is not exclusively related to video games.

GLAMOROUS NAILS

Landlord not to lease any space in the Mall Shop Area to a tenant whose sole business is that of performing manicures, pedicures, nail overlays and polishing, and painting nails.

GNC

Landlord shall not lease space in the Shopping Center to any tenant whose primary use is the sale of vitamins and vitamin supplements.

Landlord shall not lease space in the mail shop area to a tenant who devotes over fifty percent (50%) of the sales area to the sale collectively of athletic apparel, sporting goods, athletic shoes and sports logo items.

MARIE'S HAIR COMPANY

Provided Tenant is continuously open and operating from the Premises as per the Permitted Use, and is not otherwise in default hereunder beyond any applicable cure periods, Landlord shall not during the term of this Lease enter into a lease or fail to oppose the leasing of any small shop space within the enclosed Mall (excluding any out parcel adjoining the Mall, anchor Tenant, Tenant with no interior mail frontage, and Regis Salon, or any of their respective replacements, assigns, or successors), to another tenant whose primary use is that of styling and cutting of women's hair.

Provided that Tenant is open and operating pursuant to the Permitted Use hereunder and is not in default beyond any applicable cure period , Landlord agrees that during the entire term of this Lease and any options the Landlord will not lease space to another shoe store other than existing shoe stores in the Shopping Center (Hibbett's, Payless Shoes and Footlocker occupying 13,544 square feet of gross leasable area or their subtenants, assigns or replacements of such existing shoe stores) or whose sales income of footwear exceeds 20% of the tenant's annual sales. The foregoing shall not apply to (i) tenants (their subtenants, assigns or replacements of existing shoe stores) operating under leases in effect as of the date of execution of this Lease, (ii) the spaces currently occupied by J.C. Penney, Sears or Peebles (and any expansions of such spaces) or (iii) stores having a size greater than 10,000 square feet. In the event the Landlord violates this agreement then it is agreed that as Tenant's sole and exclusive remedy, total rent will calculated at the annual rate of one dollar (\$1.00) per square foot of space in the Premises.

Notwithstanding anything contained herein to the contrary; (i) in the event that Hibbetts', Payless Shoes, or Footlocker vacates the Shopping Center and is not immediately replaced by a shoe store, Landlord reserves the right to lease space in the Shopping Center to another shoe store provided that the total square footage so leased, excluding Tenant's Premises, does not exceed the sum of 13,544 square feet (the "Shoe Store Cap") and (ii) Landlord may add Journey's to the Shopping Center. In that event the total gross leasable area of Journey's will be added to the Shoe Store Cap, Excluding all types of open-stock shoe stores (for example such as but not limited to Famous Footwear, Rack Room Shoes, Shoe Show, Shoe Department and Shoe Camival)

Adjacent Parcels

From time to time, Landlord may grant to the owner of certain adjacent properties the non-exclusive use and/or benefit from cross-access over parking and access drives on the Mall property or reconfiguration of these properties in combination with adjacent mail properties, and it is acknowledged and understood that any future reconfiguration and/or granting of such non-exclusive use for access shall not be deemed a violation of any existing or future lease exclusive use provisions provided such new use does not additionally hinder or impede certain adjacent property access or accessibility.

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EXHIBIT "G"

NOTICE TO PRIME CONTRACTORS AND REMOTE CONTRACTORS

All work permitted by City of Columbia, Tennessee Building Permit No. _____ (the "Permit") is for the sole benefit of Maury Regional Medical Center, lessee of all real property contemplated by the Permit, whose fee owner is H/S Columbia, LLC, a Georgia limited liability company. Pursuant to Tennessee Code Annotated § 66-11-102(d), no Prime Contractor or Remote Contractor (as those terms are defined in the statute) may encumber H/S Columbia, LLC's fee estate with a lien for work or materials as no agency relationship exists between H/S Columbia, LLC and Maury Regional Medical Center.

To be posted at job site along with the Permit upon delivery of Premises from H/S Columbia, LLC to Maury Regional Medical Center, and to remain on job site until all work is complete, a permanent certificate of occupancy has been obtained, and all mechanics and suppliers have been paid.

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STATE OF TENNESSEE COUNTY OF MAURY

FIRST AMENDMENT OF LEASE AGREEMENT

THIS FIRST AMENDMENT OF LEASE AGREEMENT (this "Amendment") dated this **Stock of September**, 2011, is made between H/S COLUMBIA, LLC, a Georgia limited liability company ("Landlord"), and MAURY REGIONAL HOSPITAL d/b/a Maury Regional Medical Center ("Tenant").

WITNESSETH

WHEREAS, Landlord and Tenant desire to execute a Lease Agreement for property located in Columbia, Maury County, Tennessee (the "Lease"), as more particularly depicted on Exhibit "B" of the Lease;

WHEREAS, Landlord and the United States of America (the "US Government Recruiters") are parties to a lease agreement with an expiration date of August 31, 2012 for space which forms a part of the Premises;

WHEREAS, instead of relocating the Recruiters twice, it is advantageous to Landlord that the US Government Recruiters stay in its current space;

WHEREAS, the US Government Recruiters will be relocated to a portion of the space currently occupied by Goody's, which Landlord is not getting possession of until January 31, 2012;

WHEREAS, Tenant has determined that it will allow the US Government Recruiters to stay in its current space until November 30, 2012;

WHEREAS, Tenant has decided to lease additional square footage from Landlord at a substantially reduced occupancy cost (i.e., \$1.75 per square foot versus \$6.90 per square foot);

WHEREAS, the Lease requires Landlord to replace the existing roof over the Premises, and as a result of the additional square footage, Landlord will bear additional cost in the installation of the roof.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the parties do hereby agree as follows:

1. Landlord's Work (as defined in the Lease) shall only be performed in Phase I of the Premises as shown in red on Exhibit "A" attached hereto, except that Landlord shall replace the existing roof over the entire Premises, including Phase II and Phase III. Landlord shall deliver and Tenant shall accept Phase II and Phase III as shown on Exhibit "A" in an "AS IS, WHERE IS" condition. Landlord shall deliver Phase I and Phase II simultaneously and on or before February 1, 2012. Landlord shall deliver Phase III on or before November 30, 2012.

Prior to delivery of Phase I and Phase II, Landlord shall construct the Proposed New Southern Wall 1 as shown on Exhibit "A". Prior to delivery of Phase III, Landlord shall construct the Proposed New Southern Wall 2 as shown on Exhibit "A".

- 2. Tenant agrees that the US Government Recruiters can stay in its current space as shown on Exhibit "A" until November 30, 2012. No later than November 30, 2012, Landlord shall turn over Phase III to Tenant.
- 3. In consideration of allowing the US Government Recruiters to stay in its current space until November 30, 2012 and for Landlord not having to demolish the interiors of the bays located in the area marked in yellow on <u>Exhibit "A"</u>, Landlord and Tenant agree that the Rent set forth in the Lease shall be modified as follows:
 - a. Tenant shall pay an additional \$3.25 per square foot for the additional portion of the roof to be installed on Phase II and Phase III in the amount of \$11,495.25 (the "Roof Reimbursement"). The Roof Reimbursement shall be paid by Tenant to Landlord as a cash payment due within sixty (60) days of the date of this Amendment.
 - b. Upon Landlord's turnover of Phase III, Tenant shall pay an additional \$1.75 per square foot of Minimum Rent for the additional square footage for a total of \$6,189.75 additional Minimum Rent per year. Minimum Rent for the additional square footage shall increase in Year 11 and the Option period at the same percentage as the increase in Minimum Rent in Year 11 and the Option period for the original square footage as set forth in the Lease. Tenant's total initial payments of Minimum Rent shall be reduced from \$6.90 per square foot to \$6.35 per square foot and shall be payable as follows:

Minimum Rent for initial 30,000 square footage	\$207,000/year	\$6.90 per square foot
Minimum Rent for 3,537 square foot expansion	\$6,189.75/year	\$1.75 per square foot
Total	\$213,189.75/year	\$6.35 per square foot

- c. Upon Landlord's turnover of Phase III, Tenant shall pay an additional \$1.05 per square foot of Common Area Maintenance, Taxes and Insurance ("CTI") for the additional square footage for a total of \$3,713.85 additional CTI per year. CTI for the additional square footage shall increase in Year 6, Year 11, Year 16, and the Option period at the same percentage as the increase in CTI in Year 6, Year 11, Year 16, and the Option period for the original square footage as set forth in the Lease.
- 4. Agreement Binding Upon Heirs, Etc.. This Amendment shall extend to and be binding upon the heirs, devisees, executors, administrators, successors in interest, and assigns of both Landlord and Tenant.

5. <u>Lease in Full Force and Effect</u>. Except as hereby modified and amended, the terms, covenants, provisions, and conditions of the Lease shall continue in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this First Amendment of Lease Agreement as of the date first above written.

WITNESS:

Loodwin

· Maydeus Davis

H/S COLUMBIA, LLC

By H/S Columbia Manager, Inc., its

Manager

Mame: Jones m. Holl

Its: President

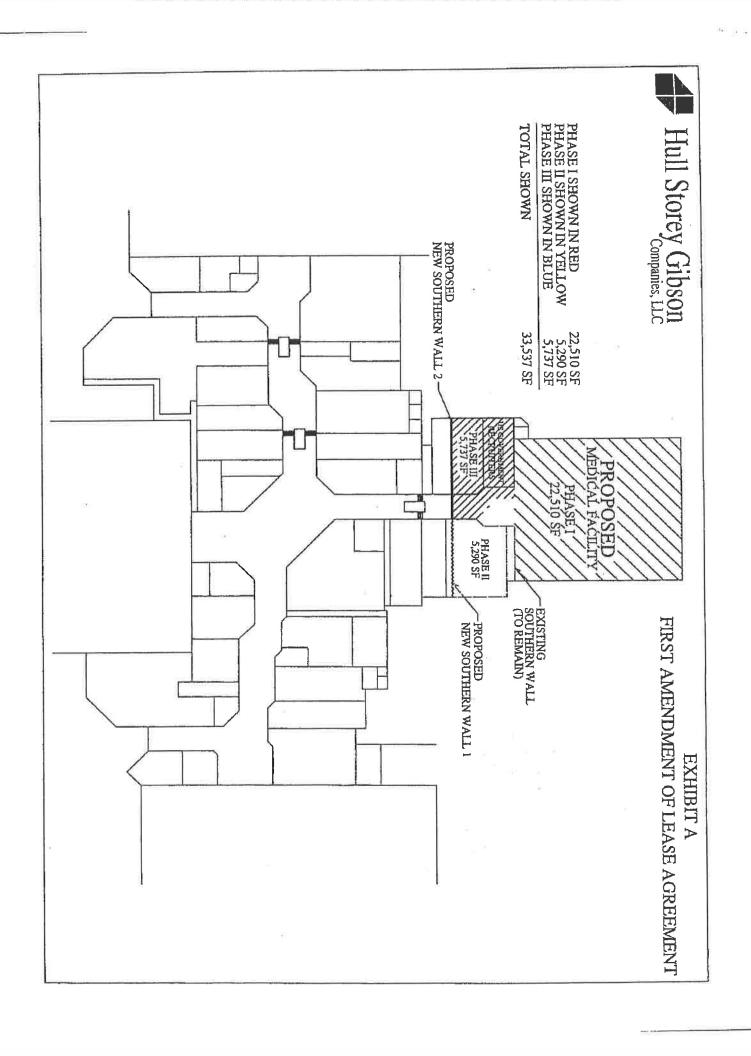
MAURY REGIONAL HOSPITAL

d/b/a Maury Regional Medical

Center

By

Name: H. Alan Water Its: Chief Openhiz Officer



SECOND AMENDMENT OF LEASE AGREEMENT

THIS SECOND AMENDMENT OF LEASE AGREEMENT (this "Amendment") dated this 30 day of Much (2012, is made between H/S COLUMBIA, LLC, a Georgia limited liability company ("Landlord"), and MAURY REGIONAL HOSPITAL d/b/a Maury Regional Medical Center ("Tenant").

WITNESSETH

WHEREAS, Landlord and Tenant are parties to the Lease Agreement dated September 8, 2011 as amended, modified and supplemented by the First Amendment of Lease Agreement date September 8, 2011 (the "First Amendment") for certain premises located in Columbia, Maury County, Tennessee (collectively, the "Lease"), as more particularly depicted on Exhibit "B" of the Lease;

WHEREAS, Tenant has decided to lease additional square footage from Landlord at a substantially reduced rental (i.e., \$1.75 per square foot versus \$6.90 per square foot);

WHEREAS, the Lease requires Landlord and Tenant to perform construction obligations as set forth on Exhibit "C" of the Lease (the "Landlord Construction Obligations") and Exhibit "D" of the Lease (the "Tenant Construction Obligations"), respectively, and Landlord and Tenant agree that it is advantageous to have Tenant's general contractor perform both the Tenant Construction Obligations and the roofing, façade and HVAC replacement portions of the Landlord Construction Obligations in order to eliminate the inevitable disputes and/or conflicts arising by having more than one general contractor in control of all aspects of building construction;

WHEREAS, Landlord shall pay Tenant a sum of three hundred forty three thousand six hundred forty seven and no/100 dollars (\$343,647) for Tenant's performance of such work.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the parties do hereby agree as follows:

The Landlord Construction Obligations contained in the Lease are modified as set forth below:

As to the building:

- (a) Landlord shall remove the partition walls within the former Goody's portion of the Premises (22,510 square feet).
- (b) The columns, beams, ductwork, and structural or mechanical items shall remain in place.
 (c) The exterior demising walls and the existing fire sprinklers shall remain in place. Any sprinkler revisions required by additional interior partitions or additional upgrades to the current system or modification of celling heights shall be Tenant's responsibility.
- (d) Landlord shall level the concrete floors and remove the carpet/tile/VCT but not grind away any mastic/glue within the former Goody's portion of the Premises (22,510 square feet).
- (e) Landlord shall leave the electrical system and the remainder of the Premises as it currently exists in AS IS condition.

As to the site work:

- (f) Landlord shall purchase and install lighting in the parking areas of Tenant's Primary Area to achieve an overall coverage of four (4) foot candles. The parking lot lights in Tenant's Primary Area shall be wired into Tenant's panel by Landlord.
- (g) Landlord shall remove the existing screen wall.
 (h) Landlord shall relay the parking area to eliminate and/or relocate existing landscaped islands to create a better view corridor for the Premises.

- The revised Phase II (30,000 square feet), the former Phase II and Phase III combined into a revised Phase II (3,337 square feet) and the new Phase III (6,103 square feet) are shown on Exhibit A attached hereto.
- 3. Landlord shall use its best efforts to commence the work set forth in 1. (a) through (e) above as soon as possible and no later than January 10, 2012 and complete same by January 31, 2012. As to the work set forth in 1. (f) through (h) above, Landlord's contractor shall coordinate the scheduling of this work with Tenant's contractor. Notwithstanding Paragraph 1 of the First Amendment to the contrary, Phase II and Phase III shall be delivered simultaneously on or before November 30, 2012
- Landlord shall pay Tenant a sum of three hundred forty three thousand six hundred forty seven and no/100 dollars (5343,647)

for Tenant's performance of the following work (the "Tenant Allowance"):

(a) Replace or recover the existing roof covering the entire 39,640 square foot Premises as the roof as it currently exists with a minimum ten-year manufacturer's warranty roof system which will include removing the existing system to the metal deck, installing 2.5" ISO, and mechanically fasten a 60 mil TPO membrane, and replace the existing metal with 24 guage.

(b) Install an HVAC system that is suitable to Tenant in its sole discretion.

- (c) Construct a decorative façade on the east face of the Premises suitable to Tenant and Tenant's architect, which façade shall be first approved by Landlord.
- Landlord agrees to pay to Tenant the Tenant Allowance within sixty (60) days of the completion
 of both the Landlord Construction Obligations and Tenant Construction Obligations.
 - Landlord and Tenant agree that the Lease shall be modified as follows:
 - (a) Phase III area in the First Amendment shall be modified to include the additional 6,103 square feet as depicted on Exhibit."A" attached hereto. Upon Landlord's turnover of Phase III, Fenant shall pay an additional \$1.75 per square foot of Minimum Rent for the additional square footage for a total of \$10,680.25 additional Minimum Rent per year. Minimum Rent for the additional square footage shall increase in Year 11 and the Option period at the same percentage as the increase in Minimum Rent in Year 11 and the Option period for the original square footage as set forth in the Lease.
 - (b) Upon Landlord's turnover of the expanded Phase III area, Tenant shall pay an additional \$1.05 per square foot of Common Area Maintenance, Taxes and Insurance ("CTI") for the additional square footage for a total of \$6,408.15 additional CTI per year. CTI for the additional square footage shall increase in Year 6, Year 11, Year 16, and the Option period at the same percentage as the increase in CTI in Year 6, Year 11, Year 16, and the Option period for the original square footage as set forth in the Lease.
 - (c) Paragraph 3 (a) of the First Amendment is deleted

Thus, Tenant's total payment to Landlord of the minimum rental and the CAM, Taxes & Insurance reimbursement for the entire Leased Premises following the hitifal Phase I delivery, then following delivery of Phase II and following the delivery of the Phase III expansions is:

Lense Year	Premises:	Square Peet	Annual Minimum Rent	Minimum Rent/SF	Fixed CAM. Taxes, bisurance	Fixed CAM. Taxes, Insurance/SE	Annual Total Rent	Total Rent/SF
	Promises (Phase 1)	30,000	\$ 207,000,00	\$ 6.90	\$ 31,500.00	\$ 1.05	\$ 238,500.00	\$ 7.95
Initial Term (Years I-5)	First Expansion (Parts of Original Phase II and II) Combined into Pliave II)	3,537	s 6,189,75	S 1.75	S 3,713,85	S 1,05	\$ 9,903.60	\$ 2.80
	Second Expansion (Revised Phase III)	6.103	\$: 10:680:25	SS	S. 6,408 LS	\$ 1.05	\$ 17,08840	\$ 2.80
	Total	39,640	\$ 223,870.00	\$ 5.65	\$ 41,622.00	\$ 1,05	\$ 265,492.00	\$. 6,70
Initial Term (Years 6-10)	Pietris és	39,640	\$ 223,870,00	\$ 5.63	\$ 47,865.30	\$1,21	\$ 271,735 30	\$ 6.86
initial Term (Years 11-15)	Premises	39,640	\$ 277,480.00	\$ 7.00	\$ 35,045,10	s 1,39	\$ 932,525,10	\$ 8,39
Initial Term (Years 16-20)	Premises	39,640	\$ 277,480,00	s 7.00	\$ 63,301.86	\$ 1.60	3 340,731.86	S 8.60
Option Term (Years 21-30)	Piemises	39,640		TBD using Article 13	g CPI per Leise	TBD using CPI per /	Article 13 of	

- 7. Agreement Binding Upon Heirs, Etc. This Amendment shall extend to and be binding upon the heirs, devisees, executors, administrators, successors in interest, and assigns of both Landlord and Tenant.
- Lease in Full Force and Effect. Except as hereby modified and amended, the terms, covenants, provisions, and conditions of the Lease shall continue in full force and effect.

[Signatures on next page]

IN WITNESS THEREOF, the parties hereto have executed this Second Amendment of Lease Agreement as of the date first above written.

WITNESS:

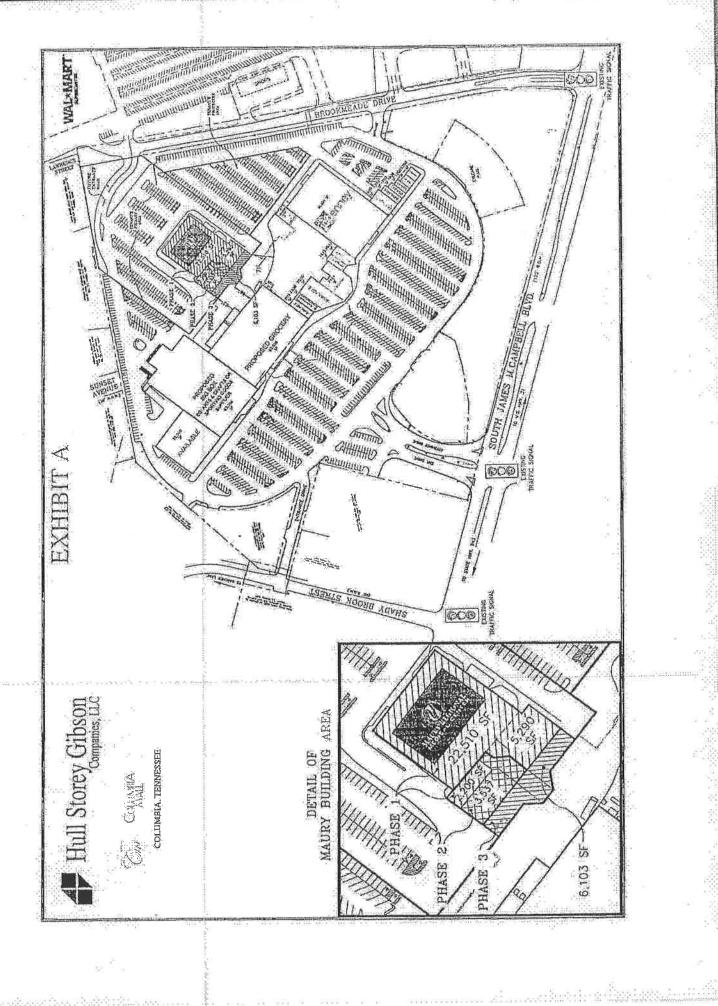
H/S COLUMBIA, LLC By: H/S Columbia Manager, lpc., its

Manager

Dwier

MAUNY REGIONAL HOSPITAL d/b/a Maxiy Regional Medical Center

Name: / Ala Wadson Its: COD



Attachment B.II.E.3 – Linear Accelerator Quotation and Mobile PET Lease



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Page: 1

Quotation For:

David Thomas
Maury Regional Hospital
Radiation Oncology
1224 Trotwood Avenue
Columbia, TN 38401
931-380-4057 FAX: (931) 540 - 4224

Please address inquiries and replies to:

Mark Zawodny
Varian Medical Systems
2250 Newmarket Parkway
Suite 120
Marietta, GA 30067
(770) 955 - 1367 FAX: (678) 255 - 3850
mark.zawodny@varian.com

Your Reference:	Quotation Firm Until: August 30, 2013
FOB Point: US1 FOB: Origin Inc. Freight & Ins.	Shipping Allocation: 1 Year ARO
Payment Terms: 10%/85%/ 5%	Varian Terms and Conditions of Sale 1652U Attached

Trilogy System
Stand Alone Accessories
Stand Alone Accessories
Eclipse Add Ons
Remove Existing Linac and SIM
Enable Trilogy High Energy #5068
RapidArc Upgrade - Trilogy #5068

Maury Regional Hospital	Varian Medical Systems
Quotation Total of: USD \$3,125,534 Accepted by:	
Signature:	Submitted by:
Name:	(Signatura)
Title:	(Signature)
Date:	Name: Mark Zawodny
Date.	
For this purchase, we designateNOVATION as our	Title: District Manager
Institution's Primary Group Purchasing Organization affiliation.	
Any change will be Indicated below:	Date: June 10, 2013
☐ AmeriNet ☐ Aptium ☐ BJC ☐ Broadlane	
☐ CHW ☐ Consorta/HPG ☐ KP Select ☐ Magnet	
☐ Matrix ☐ MedAssets ☐ Novation ☐ Premier	
☐ ROI ☐ USO ☐ VA Gov ☐ None	



MAZ20130225-001

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ltem	Qty	Product Description	Offer Price
Sectio	n 1	Trilogy System	
1.01	1	Trilogy Stereotactic System	2,319,523.00
1.02	1	Trilogy	Included
1.03	1	INCL ED: CL100 Clinac Basic Operations	Included
1.04	1	STD TRNG: Clinac iX Ops	Included
1.05	1	INCL ED: High-Energy Clinac Support	Included
1.06	1	6X High Intensity Mode	Included
1.07	1	Dual Photon Energy: 6/23 MV	Included
1.08	1	Display of Photon Energy: BJR11	Included
1.09	1	Photon Dose Rate: 600 MU/Min	included
1.10	1	6 Electrons; Grp 1: 4,6,9,12,15,18 MeV	Included
1.11	1	Electron Dose Rate: 1000 MU/Min Maximum	Included
1.12	1	Size of Electron Applicators: 6cm x 6cm	Included
1.13	1	Energy of Spec Electron Procedures: 6MeV	Included
1.14	1	Scale Convention: IEC601	Included
1.15	1	Counterweight	Included
1.16	1	Three Piece Breakdown	Included
1.17	1	New Universal Baseframe 52" Fixed Floor	Included
1.18	1	Exact Couch with IGRT Couch Top	Included
1.19	1	20" LCD Monitor	Included
1.20	1	Millennium MLC, 120 Leaf	Included
1.21	1	Large Field IMRT	Included
1.22	1	20" LCD Monitor	Included



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Item	Qty	Product Description	Offer Price
1.23	1	PortalVision: aS1000	Included
1.24	1	Portal Vision for 4DITC	Included
1.25	1	Laser Backpointer for PortalVision Arm	Included
1.26	1	On-Board Imager	Included
1.27	1	INCL ED: CL201 OBI for Physicists	Included
1.28	1	INCL ED: CL101 OBI for Therapists	Included
1.29	1	STD TRNG: OBI	Included
1.30	1	Cone Beam CT for On-Board Imager	Included
1.31	1	Remote Couch Motion	Included
1.32	1	Isocal	Included
1.33	1	IsoCal Additional Installation	Included
1.34	1	NLS: English	Included
1.35	1	RapidArc Delivery Capability	Included
1.36	1	Enhanced Dynamic Wedge	Included
1.37	1	Auto Field Sequencing	Included
1.38	1	Advanced Dynamic MLC	Included
1.39	1	EXCI Interface to R&V System	Included
1.40	1	4D Integrated Treatment Console	Included
1.41	1	4DITC gX for Varian Image Mgmt Network	Included
1.42	1	In-Room 20" Monitor with Mounting Kit	Included
1.43	1	Electron Arc Therapy: TBI, TBE and HDTSE	Included
1.44	1	Custom Coding	Included
1.45	1	Console Package, Deluxe Roll In Console	Included



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Item	Qty	Product Description		Offer Price
1.46	1	Remote Access Smart Connect Ready		Included
1.47	1	Factory Data Set		Included
1.48	1	Enhanced Beam Conformance Specification		Included
			Section Total \$	2,319,523.00
*				
Sectio	n 2	Stand Alone Accessories		
2.01	1	4 LAP Apollo Green Lasers		14,641.00
2.02	1	Transtector Power Cond., Dual HE & OBI		26,820.00
			Section Total \$	41,461.00
Section	n 3	Stand Alone Accessories		
3.01	1	In-Room Monitor Cable Kit		133.00
3.02	1	Patient Intercom		1,611.00
3.03	1	CCTV Camera Qty 2; 19" Monitor Qty 2		11,772.00
			Section Total \$	13,516.00
Section	n 4	Eclipse Add Ons		
4.01	1	Eclipse IMX SFW - Additional		66,949.00
4.02	1	Eclipse Acuros External Beam		54,599.00
4.03	1	Eclipse RapidArc Planning License 1st		136,557.00
4.04	1	INCL ED: EC112 Eclipse Inv Ping RA		Included
4.05	2	Framework Agent Server		22,944.00



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Item	Qty	Product Description		Offer Price
4.06	1	Eclipse RapidArc Planning License Addl		79,963.00
			Section Total \$	361,012.00
		2		
Sectio	n 5	Remove Existing Linac and SIM		
5.01	1	Remove/Dispose Existing Equipment		29,500.00
			Section Total \$	29,500.00
Sectio	n 6	Enable Trilogy High Energy #5068		
6.01	1	Allowance		100,000.00
		6	Section Total \$	100,000.00
Sectio	n 7	RapidArc Upgrade - Trilogy #5068		×
7.01	1	RapidArc Delivery Capability Upgrade		245,522.00
7.02	1	RapidArc Online Marketing Program		15,000.00
			Section Total \$	260,522.00
			Quotation Total \$	3,125,534.00



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Page: 6

Maury Regional Hospital, Columbia, TN

Item

Qty

Product Description

Offer Price

There may be radiological regulatory requirements applicable to possessing and/or operating radiation generating machines. Varian takes no responsibility regarding local radiation safety requirements.
These requirements are the customer's responsibility.

End of Support: Varian may terminate the Agreement at the end of support of the Product that is the object of the Support Services by giving twenty-four (24) months written notice to the Customer. However, Varian may shorten this notice period in its sole discretion if termination is required due to key component obsolescence issues or material product quality concerns.

Terms & Conditions of Sale

This offer is subject to credit approval and is exclusive of any applicable sales taxes or duties.

If Customer chooses to pay by credit card, a four percent (4%) service fee will be added.

This quotation is subject to Varian Medical Systems Standard Terms and Conditions of Sale, Form RAD 1652, current version

VARIAN Payment Terms are as follows: 10% due upon order 85% due upon shipment 5% due upon completion of installation

For orders equal or less than \$75K, 100% due upon shipment, net 30 days

SHIPPING Terms: FOB Origin

FINANCING AVAILABLE: For lease and finance plans, call Tony Susen, Director - Varian Customer Finance, at (508) 668-4609.



K06/140 10/4

Varian Medical Systems, inc. 3100 Hansen Way Palo Alto, CA 94304-1038 USA tel +1 650 493 4000

tel +1 650 493 400 www.varian.com

510(k) Summary

The following information is provided following the format of 21 CFR 807.92 for the Trilogy Radiotherapy Delivery System

1. Submitter:

Varian Medical Systems 3100 Hansen Way M/S H055 Palo Alto, CA 94304-1129 Contact Name: Vy Tran Phone: (650) 424-5731

Fax: (650) 842-5040 Email: vy.tran@yarian.com

Date summary was prepared: April 21, 2006

2. Name of the Device:

Trilogy Radiotherapy Delivery System and Trilogy Tx

Trade/Proprietary Name:

Trilogy Radiotherapy Delivery System

Common or Usual Name:

Trilogy system

Classification Name:

Medical Charged Particle Radiation Therapy System

21 CFR §892.5050

Class II

Product Code: 90 IYE

3. Predicate Devices to claim substantial equivalence:

- a. Varian Medical Systems' Trilogy Radiotherapy Delivery System K033343
- b. Accuray's CyberKnife K041315
- 4. Description of the Device: The TrilogyTM Radiotherapy Delivery System, K033343, is a dual-energy, high dose rate medical linear accelerator optimized for 3D conformal radiation therapy, intensity-modulated radiation therapy and stereotactic applications. The Trilogy system allows for stereotactic treatments that may be intracranial or extracranial and consist of single-session or multisession ("fractionated") treatment delivery.
- 5. Intended Use Statement: The TrilogyTM Radiotherapy Delivery and the Trilogy Tx is intended to provide stereotactic radiosurgery and precision radiotherapy for lesions, tumors and conditions anywhere in the body when radiation treatment is indicated.
- 6. Substantial Equivalence The Trilogy Radiotherapy Delivery is substantially equivalent to the predicate devices. The intended use, principles of operation, and technological characteristics are the same.

Propert

Substantial Equivalence Comparison Chart

The TrilogyTM Radiotherapy Delivery System and the Trilogy Tx Delivery System are substantially equivalent to the CyberKnife® System, K041315 for Intended Use and Indications for Use and are substantially equivalent to the TrilogyTM Radiotherapy Delivery System K033343 for features, design and operation.

The revised Intended Use and Indications for Use statements are equivalent to those used by CyberKnife.

	CyberKnife® System for	Trilogy TM Radiotherapy	Trilogy ^{IM}	Trilogy Tx Delivery
	Stereotactic	Delivery System,	Radiotherapy Delivery	System
	Radiosurgery/Radiotherapy,	K033343	System	
3	K041315).5		
Intended Use	The CyberKnife System for	The Trilogy ^{IM}	The Trilogy 1M	The Trilogy Tx
	Stereotactic	Radiotherapy Delivery	Radiotherapy Delivery	Delivery System is
	Radiosurgery/Radiotherapy	System is a radiation	System is intended to	intended to provide
	is intended to provide	therapy accelerator	provide stereotactic	stereotactic
	treatment planning and	intended to deliver	radiosurgery and	radiosurgery and
	image-guided stereotactic	megavoltage x-ray	precision radiotherapy	precision radiotherapy
	radiosurgery and precision	treatments for	for lesions, tumors, and	for lesions, tumors, and
	radiotherapy for lesions,	conventional	conditions anywhere in	conditions anywhere in
	tumors, and conditions	radiotherapy (three	the body when	the body when
	anywhere in the body when	dimensional conformal	radiation treatment is	radiation treatment is
	radiation treatment is	radiotherapy and	indicated.	indicated.
	indicated.	intensity modulated		
	N	radiotherapy) and		
		stereotactic radiosurgery		
		and radiotherapy.		
		Stereotactic treatments		
		are intended for therapy		
		of lesions, e.g.,		
		arteriovenous		

Pm 344

	The Trilogy Tx Delivery System is indicated for stereotactic radiosurgery and precision radiotherapy do for lesions, tumors, and conditions anywhere in the body when radiation treatment is indicated.
	The Trilogy TM Radiotherapy Delivery System is indicated for stereotactic radiosurgery and precision radiotherapy for lesions, tumors, and conditions anywhere in the body when radiation treatment is indicated.
malformations, primary tumors and metastases. Stereotactic treatments may be intracranial or extracranial and consist of single-session or fractionated delivery.	The Trilogy ^{1M} Radiotherapy Delivery System is a radiation therapy accelerator intended to deliver megavoltage x-ray treatments for conventional radiotherapy (three dimensional conformal radiotherapy and intensity modulated radiotherapy) and stereotactic radiosurgery and radiotherapy. Stereotactic treatments are intended for therapy of lesions, e.g., arteriovenous malformations, primary tumors and metastases. Stereotactic treatments malformations, primary tumors and metastases. Stereotactic treatments may be intracranial or extracranial and consist
	The CyberKnife System for Stereotactic Radiosurgery/Radiotherapy is indicated for treatment planning and image-guided stereotactic radiosurgery and precision radiotherapy for lesions, tumors, and conditions anywhere in the body when radiation treatment is indicated.
	Indications for Use

Pagetty

		of single-session or		
		fractionated delivery.		
Isocenter	Not Applicable	<1.5mm for all three	≤1.5mm for all three	<1.5mm for all three
		rotational axes	rotational axes	rotational axes
Energy used	Not Applicable	4-25MV	4-25MV	4-25MV
	Not Applicable	3DCRT and IMRT: Up	3DCRT and IMRT: Up	3DCRT and IMRT: Up
	•	to 600MU/min. SRS: Up	to 600MU/min. SRS:	to 600MU/min. SRS:
		to 1000MU/min	Up to 1000MU/min	Up to 1000MU/min
Maximum	Not Applicable	3DCRT: 40cm x 40cm.	3DCRT: 40cm x 40cm.	3DCRT: 40cm x 40cm.
field size	+ +	IMRT: 34cm x 40cm.	IMRT: 34cm x 40cm.	IMRT: 34cm x 40cm.
		SRS: 15cm x 15cm	SRS: 15cm x 15cm	SRS: 15cm x 15cm
Remote	Not Applicable	Small, corrective motions	Small, corrective	Small, corrective
couch motion		(<2cm and 2°) and large,	motions (<2cm and 2°)	motions (<2cm and 2°)
		planned rotations.	and large, planned	and large, planned
	4:	Secondary position	rotations. Secondary	rotations. Secondary
		readout indicators	position readout	position readout
		perform secondary	indicators perform	indicators perform
		verification.	secondary verification.	secondary verification.





Food and Drug Administration 9200 Corporate Blvd. Rockville MD 20850

MAY 15 2006

Ms. Vy Tran Corporate Director, Regulatory Affairs Varian Medical Systems, Inc. 3100 Hansen Way PALO ALTO CA 94304-1038

Re: K061140

Trade/Device Name: Trilogy Radiotherapy Delivery System and Trilogy Tx Delivery System

Regulation Number: 21 CFR 892,5050

Regulation Name: Medical charged-particle radiation therapy system

Regulatory Class: II Product Code: IYE Dated: April 20, 2006 Received: April 25, 2006

Dear Ms. Tran:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

If your device is classified (see above) into either class II (Special Controls) or class III (Premarket Approval), it may be subject to such additional controls. Existing major regulations affecting your device can be found in the <u>Code of Federal Regulations</u>, Title 21, Parts 800 to 898. In addition, FDA may publish further announcements concerning your device in the <u>Federal Register</u>.



Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to registration and listing (21 CFR Part 807); labeling (21 CFR Part 801); good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820); and if applicable, the electronic product radiation control provisions (Sections 531-542 of the Act); 21 CFR 1000-1050.

This letter will allow you to begin marketing your device as described in your Section 510(k) premarket notification. The FDA finding of substantial equivalence of your device to a legally marketed predicate device results in a classification for your device and thus, permits your device to proceed to the market.

If you desire specific advice for your device on our labeling regulation (21 CFR Part 801), please contact the Office of Compliance at one of the following numbers, based on the regulation number at the top of this letter:

21 CFR 876.xxxx	(Gastroenterology/Renal/Urology)	240-276-0115
21 CFR 884.xxxx	(Obstetrics/Gynecology)	240-276-0115
21 CFR 892.xxxx	(Radiology)	240-276-0120
Other	337	240-276-0100

Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR 807.97). You may obtain other general information on your responsibilities under the Act from the Division of Small Manufacturers, International and Consumer Assistance at its toll-free number (800) 638-2041 or (301) 443-6597 or at its Internet address http://www.fda.gov/cdrh/industry/support/index.html

Sincerely yours,

Manay C. Brogdon
Nancy C. Brogdon

Director, Division of Reproductive, Abdominal, and Radiological Devices

Office of Device Evaluation

Center for Devices and Radiological Health

Enclosure

510(k) Number (if known): <u>K061140</u>

Device Name: Trilogy Radiotherapy Delivery System and Trilogy Tx Delivery System

Indications For Use:

The TrilogyTM Radiotherapy Delivery System and Trilogy Tx Delivery System are indicated for stereotactic radiosurgery and precision radiotherapy for lesions, tumors, and conditions anywhere in the body when radiation treatment is indicated.

(PLEASE DO NOT WRITE BELOW THIS LINE-CONTINUE ON ANOTHER PAGE IF NEEDED)

Concurrence of CDRH, Office of Device Evaluation (ODE)

(Division Sign-Off)

Division of Reproductive, Abdominal,

and Radiological Devices

510(k) Number_

Prescription Use

(Per 21 CFR 801.109)

POSITRON EMISSION TOMOGRAPHY/COMPUTED TOMOGRAPHY ("PET/CT") MASTER SERVICES AGREEMENT

THIS POSITRON EMISSION OMOGRAPHY/COMPUTED TOMOGRAPHY ("PET/CT") MASTER SERVICE'S AGREEMENT (the "Agreement") is made as of the date fully executed below between ALLIANCE IMAGING, INC., a Delaware corporation ("Alliance") located at 100 Bayview Circle, Suite 400, Newport Beach, California 92660, and MAURY REGIONAL HOSPITAL, D/B/A MAURY REGIONAL MEDICAL CENTER, a Tennessee not for profit government entity (the "Client"), located at 1224 Trotwood Avenue, Columbia, Tennessee 38401.

- UNIT LOCATION (the "Unit Location"). If no address is listed in this Item 1, the Unit Location address shall be Client's address that is listed above.
- UNIT DESCRIPTION: G.E. Discovery ST mobile PET/CT system (pursuant to Section 1.1 of the attached General Terms and Conditions).
- FEES. Notwithstanding anything to the contrary in this Agreement, all PET/CT procedures shall be restricted to the use of only FDG (fluorine-18-deoxy-glucose).

FEE PER PROCEDURE. Including Radiopharmaceutical

Procedures shall be performed on a per procedure basis, based upon the prices listed below.

PROCEDURES PER DAY Procedures 1 through 7 Procedures 8 and thereafter FEE PER PROCEDURE

\$900.00 \$850.00

- a) Benchmarks. Both Client and Alliance agree that seven (7) PET/CT procedures per day of service is a benchmark for maintaining the number of days of service scheduled. In the event Client's procedure volume is below this level, Alliance may reduce the number of days or frequency of service provided with fourteen (14) days prior notice.
- b) PET/CT Procedure Schedule and Radiopharmaceuticals. Client shall, no later than 11:00 a.m. each business day, provide to the designated Alliance representative a written schedule of its Radiopharmaceutical requirements for the next business day, showing times and quantities. Client may cancel without financial obligation any prescheduled doses by providing written notice via telecopy by 6:00 a.m. of the day of use by providing notice to Alliance's supplier of radiopharmaceuticals. In the event that a scheduled procedure cannot be completed due to the actions of Alliance, the costs for the prescheduled radiopharmaceutical shall be borne by Alliance. In the event that the scheduled procedure cannot be completed due to the actions of the Client employees, the cost of the prescheduled radiopharmaceutical shall be borne by the Client. In the event that the scheduled procedure carnot be completed due to the "no show" or patient cancellation at the time of the procedure, the cost of the radiopharmaceutical shall be borne by the Client. Above stated fees are for FDG doses up to 15mCl. If the base dose 15mCl price to Alliance increases by ten percent (10%) or more, the cost in excess of ten percent (10%) shall be charged to Client on a dollar-for-dollar basis. Client agrees to return all shipment cartons and containers to the designated Radiopharmaceutical Supplier in the same condition and shall be responsible for material damages, normal "wear and tear" excepted.
- 4. SCHEDULING. Alliance shall make the Unit available to the Client, and Client agrees to accept the Unit one (1) day per wcek.
- TERM. The initial term of this Agreement shall commence on February 2, 2009 (the "Commencement Date") and shall continue for thirty-six (36) months through February 2, 2012.
- 6. INCORPORATION. This Agreement shall consist of the following documents: (1) the cover page(s) to this Agreement; and (2) General Terms and Conditions, which is attached hereto and incorporated herein.

Upon commencement of services under this Agreement, this Agreement shall supersede and replace that certain PET Services Agreement between Alliance and Client fully executed on May 15, 2003, as amended.

ALLIANCE IMAGING, INC.	MAURY REGIONAL HOSPITAL, D/B/A MAURY
Authorized Signature: 41.17.1	REGIONAL MEDICAL GENTER Authorized Signature:
Printed Name: Eli H. Glovinsky	Printed Name: Tam William S
Title: EVP, General Counsel, Corporate Secretary	Title: Directo- of Imaging
Date: 2-3-7-7 Telephone No. (949) 242-5300	Date: 122 0 9 Telephone No.: 931/540-4174
Facsimile No. (949) 242-5381	Facsimile No.: 931/380-4104
Federal Tax ID #: 33-0239910	Federal Tax ID #: 626002623 (required

A fully executed Agreement must be received prior to service commencement.

Return Two (2) Original Signed Agreements to: Contracts Administration, Alliance Imaging, Inc., 15 Massirlo Drive, Suite 105, Berlin, CT 06037

THE TERMS SET FORTH IN THIS AGREEMENT SHALL BE VOID IF THE AGREEMENT IS NOT SIGNED AND RETURNED BY CLIENT TO ALLIANCE ON OR BEFORE JANUARY 12, 2008.

GENERAL TERMS AND CONDITIONS

I.I The Unit. Alliance shall provide a Positron Emission Tomography/Computed Tomography ("PET/CT") system described in the cover page(s) to this Agreement (the "Unit").

1.2 Personnel. Alliance shall provide the services of one (1) technical personnel and one (1) patient coordinator to operate the Unit as appropriate for Client's procedure volume. Client agrees not to hire or contract with any Alliance employee during the term of this Agreement, including renewals, and for a period of one (1) year after services cease (collectively, the "Non-Solicitation Period"), without Alliance's prior written consent. Alliance and Client hereby agree that in the event of a breach of this provision damages shall be difficult to calculate and therefore agree Alliance shall be entitled to receive \$50,000. Alliance and Client agree that the aforementioned amounts are reasonable and shall constitute liquidated damages and not a penalty. Alliance shall ensure that all services provided by Alliance's technical personnel (including, but not limited to, any patient coordinator) shall be within the scope of his/her duties as technical personnel. Client agrees, for as long as Alliance remains a Joint Commissionagrees, for as long as Amanos temains a John Commissions accredited organization, that Client shall not need to independently verify and shall not require any written documentation concerning the credentialing, education, training, evaluation, and competencies related to Alliance's technical personnel (including, but not limited to, any patient coordinator). In the event of a Joint Commission survey of Client, Alliance shall have the personnel file of Alliance's technical personnel accessible upon request.

1.3 Maintenance. Alliance shall use reasonable efforts to cause the Unit to be maintained in good operating condition. Alliance may do so through the purchase of a maintenance contract from the PET/CT Unit manufacturer or

otherwise, in its discretion.

SCANNING ACTIVITIES.

2.1. Unit. Client shall prepare and maintain a safe and suitable site for the Unit which complies with the manufacturer's specifications (which shall be provided by Alliance) and all applicable laws and regulations. All site costs (for example, costs of tractor/trailer access and egress, power and telephone expenses) shall be Client's responsibility. The Unit Location shall be as referenced in the cover page(s) to this Agreement. Client represents and warrants to Alliance that it currently owns or has authorization to site the Unit at the Unit Location. Further, Client further warrants and agrees that, at all times during the term of this Agreement. Client shall maintain the authorization or ownership to site the Unit at the Unit Location. Client shall indemnify and hold Alliance harmless from any damages or liability arising out of breach of the representations and warranties in this Section 2.1. Client may request in writing to Alliance that the Unit Location be moved, in which case any such move shall be subject to Alliance's prior approval; all of the obligations under this Section 2.1 shall apply to the new Unit Location.

2.2 Power. Client shall provide electrical power, including a dedicated power line with 200 amps and 480 volts of three-phase power. Client shall promptly report any problems with power (for example, sags or surges) to Alliance. Client shall provide the power line, a lockable disconnect box and receptacle within twenty-five (25) feet of the electrical receptacle on the Unit. Client is responsible for damage to the

Unit due to power that does not meet specification.

2.3 Phone and Connectivity. Client shall provide the Unit with a voice telephone line, a dedicated fax compatible telephone line and a RJ-45 ethemet broadband line with an automatic IP address assignment using Dynamic Host Control Protocol ("DHCP") and a proxy-less connection to the internet.

2.4 Operation. The Unit shall be operated only by

employees or subcontractors of Alliance.

Medical Director. Client shall appoint a qualified and licensed physician to act as Medical Director hereunder, along with another such physician to act in his absence (the "Medical Director"). Client shall be solely responsible for all activities which constitute the practice of medicine (for example, providing medical advice to patients in connection with PET/CT procedures and the injection of radiopharmaceutical agents). Client shall obtain any written consents from patients that are required by the USFDA, state or local law or prudent medical practice. Client shall have full responsibility for all medical care and advice provided to patients. All medical care shall be provided under the

ultimate supervision of the Medical Director.
2.6 Medical Supplies; Emergency Care. Client shall provide all medical supplies which may be required (including film and film processing, gowns, medications and radiopharmaceutical agents) and shall ensure the immediate availability at all times of equipment and personnel to treat patients who require emergency or other medical care (including a cardiac monitor, a fresh oxygen supply, an aspirator and a defibrillator).

2.7 Patient Handling. Client shall be responsible for the prompt and orderly pick up and delivery of patients to and from their rooms or other designated areas.

2.8 Patient Log. Alliance shall maintain a log of all procedures performed on the Unit. Client shall be provided with copies of the log upon request.

2.9 Modifications. Client shall not modify or after the Unit without Alliance prices.

the Unit without Alliance's prior written consent. Client shall not allow any portion of the Unit to become permanently attached to real property. Client agrees that, upon request, Client shall sign any documents (e.g., a UCC financing statement) evidencing a first priority security interest, mortgage, or assignment in favor of any company (e.g., the original equipment manufacturer) providing financing to Alliance for the Unit.

2.10 Scheduling. Client shall use all reasonable

efforts to schedule its patients consecutively from the beginning of each service day to minimize unutilized scanning time and to prescreen patients for conditions unsuitable for PET/CT procedure. Alliance reserves the right, with prior notice, to modify the provision of services on a day in which less than five (5) patients are scheduled. In addition, Alliance reserves the right to release its technical personnel and/or Unit from Client's facility after the completion of the last scheduled procedure on any given service day in which no more patients are scheduled provided the technologist(s) have confirmed with the Client that no additional patients shall be added to the schedule for that particular service day.

2.11 Notification of Physicians. Client shall notify its staff of physicians of the availability of the Unit and shall use reasonable efforts to educate the community about the

1.12 Exclusivity. Pertaining to Maury Regional Medical Center only, Client agrees to use Alliance solely for all of its PET/CT and PET needs, except for an emergency where the use of Alliance's service is impractical, when the patient expresses a desire to receive PET/CT services from a different provider, when the patient's insurance determines that the patient must receive PET/CT services from a

different provider, or when the referral is not in the best medical interest of the patient in the physician's judgment,

2.13 Document Retention. Alliance and Client agree to retain books, documents and records required under the Omnibus Reconciliation Act of 1980 and other applicable laws and regulations governing governmental reimbursement of medical care expense, in all cases for the periods specified in such laws and regulations.

2.14 Licenses. Client shall obtain and maintain all required licenses and regulatory approvals necessary to operate the Unit at Client's premises. Alliance shall reasonably cooperate to assist Client to obtain such licenses and approvals.

2.15 Taxes. All taxes, if any (for example, sales, use or similar taxes), on the services hersunder shall be the responsibility of Client (other than taxes on Alliance's net income from the services hereunder).

2.16 Professional Interpretations. Client shall need to engage a radiologist to provide interpretations of PET/CT procedures for Client patients. Alliance shall not be responsible for providing any such interpretations.

2.17 Customer Support. Alliance shall provide the following:

following:

a) Radiopharmaceuticals. Assistance to Client in obtaining, licensing and handling procedures for

radiopharmaceuticals.

- b) Billing. Information regarding PET/CT billing codes, Information and reimbursement data provided, however, that Client shall not be entitled to rely upon any such information by Alliance and shall confirm such information independently by contacting either the local Medicare carrier/intermediary, or seeking the advice of legal counsel or a reimbursement consultant. Client agrees to comply with relevant billing and documentation requirements.
- FEES AND BILLING. Client shall pay Alliance FEES AND BILLING. Client snall pay Alliance Fees that are set forth in the cover page(s) to this Agreement. All fees for a billing period shall be due and payable within fifteen (15) days of the last day of such period. Alliance shall invoice Client once each month. Client shall pay a late fee of one and one-quarter percent (1-1/4%) or the maximum legal rate, whichever is less, on all balances outstanding more than fifteen (15) days beyond the due date. Fees may be adjusted on each analysis of the Commencement Date by the percentage each anniversary of the Commencement Date by the percentage increase for the Medical Care Services component of the Consumer Price Index for all Urban Consumers (CPI-U) as recorded by the Department of Labor Index for the then most recently available twelve month period. Client shall be responsible for all billings to Client patients and/or third party payors for PET/CT procedures performed on the Unit. Client's obligation to pay Alliance compensation in accordance with the provisions of this Agreement shall not be dependent upon Client's billing and collection of patient and/or third party payor accounts receivable. Alliance shall not bill, and Alliance shall not cause bills to be submitted to, any patient or third party payor for PET/CT procedures performed on the Unit. All billings for Client patients shall be in the name of Client, and Client shall not sublease any of the services under this Agreement or the Unit to any third party. Both parties agree that Alliance is providing its services set forth in this Agreement "under arrangement" with Client, such that upon Client's receipt of payment from the Medicare program for PET/CT procedures performed in the Unit, the liability of the beneficiary or any other person to pay for such services shall be fully discharged. recorded by the Department of Labor Index for the then most
- 4. TERM. The term shall be as specified in the cover page(s) to this Agreement. If delivery of the Unit is delayed norwithstanding Alliance using all reasonable efforts to prevent the delay, the Commencement Date shall be extended coterminously with the delay. The term of the Agreement shall

also be extended coterminously with any period(s) services are suspended pursuant to Section 8.2. This Agreement shall not renew. In the event this Agreement terminates and Client continues to accept services, the terms and conditions of this Agreement shall apply to the provision of services and Client shall be bound to accept such services until and unless Client shall terminate such extension upon further written notice to

Alliance of not less than thirty (30) days.

5. SCHEDULING. Alliance shall make the Unit available to Client according to the schedule specified on the cover page(s) to this Agreement. Alliance currently observes the following holidays, which may be increased from time-to-time: New Years Day, Memorial Day, Fourth of July, Labor

Day, Thanksgiving Day, and Christmas Day.

INSURANCE, INDEMNITY.

6.1 Insurance.

a) Alliance. Alliance shall maintain insurance covering all risks of physical loss or damage to the Unit, comprehensive general liability and professional liability covering the conduct of its employees, all in amounts and subject to deductibles that are customary in the industry.

b) Client. Client shall maintain comprehensive general and professional liability insurance covering the Client, its employees, staff and physicians and shall require the Medical Director and other physicians who interpret or report on procedures performed on the Unit to maintain professional liability insurance. All such insurance shall be in amounts and with deductibles that are customary in the industry. Client shall bear the risk of loss or damage to the Unit from Client's negligent actions or omissions.

6.2 Indemnities. Each party hereto shall

6.2 Indemnities. Each party hereto shall indemnify and hold the other party harmless from and against any and all liability, loss, damage, cause of action, cost or expense (including reasonable attorney's fees) arising out of or in any way connected with, any negligent or intentional act or failure to act or any other wrongful conduct by the respective party, its members, agents, employees or subcontractors in the performance of its duties under this

Agreement.

GENERAL.

7.1 Independence. Alliance is an independent contractor of Client, and this Agreement is a contract for services, not a lease. No agency, employment, partnership or joint venture is intended to be created by this Agreement. Neither Alliance nor Client shall take any action or position which is inconsistent with those descriptions of the relationship.

Remedies. Alliance shall not be responsible for fallure to provide services as a result of conditions caused Alliance nor Client shall be liable for consequential or special damages under any circumstances or any damages caused by conditions not within their

reasonable control.

7.3 Waiver. Waiver of any breach shall not be deemed a waiver of the same provision in the future or the

waiver of any other provision.

7.4 Notices. All notices and other communications shall be in writing and shall be given in person, by registered or certified mail, by overnight delivery, or by telecopy (in the case of telecopy, if written confirmation of sending is retained). The initial addresses and telecopy numbers of the parties are lighted part to their signatures. parties are listed next to their signatures on the cover page(s) to this Agreement. Notices to Alliance shall be sent to the attention of General Counsel. Either party may change its address or telecopy number for notice by notifying the other by a permitted method of giving notice.

Governing Law. This Agreement shall be governed by the law of the state where services are performed.

7.6 Entire Agreement; Amendment. This Agreement is the parties' entire understanding and supersedes all prior agreements, oral and written with respect to the subject matter of this Agreement. This Agreement may not be amended except by written agreement of the parties. No handwritten changes to this Agreement shall be enforceable unless such changes are initialed by both parties to this

Agreement.

Successors and Assigns. Alliance may not assign this Agreement with the prior written consent of Client, such consent shall not be unreasonably withheld. Client may not assign this Agreement without the prior written consent of Alliance, such consent shall not be unreasonably withheld. Either party can assign to a wholly-owned subsidiary without the other's consent, so long as the assignce agrees to assume all of the assignor's rights and obligations under the Agreement. This Agreement shall be binding on and inure to the benefit of . the parties' respective successors and assigns. Client agrees that this Agreement may be performed, in whole or part, by a subsidiary of Alliance and further consent shall not be required.
Alliance may also assign the proceeds of this Agreement. Client shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, sale of property or stock, liquidation, or otherwise) to all or a substantial portion of its assets, by agreement in form and substance reasonably satisfactory to Alliance, to expressly assume and agree to perform this Agreement.

7.8 Third Parties. This Agreement does not convey

any rights to any third parties.

7.9 Attorney Pees. In any dispute arising out of this Agreement (whether litigation is involved or not) or in the event that either party must take action to collect fees or enforce rights, the prevailing party shall be entitled to reimbursement of its expenses, including court expenses and lawyers' fees.

7.10 Certain Events. Neither party shall be deemed in breach if its failure to perform under this Agreement is caused by conditions beyond its reasonable control (for example, fire, natural disaster, labor strikes, and so on).

7.1.1 Confidentiality. Client acknowledges and agrees that this Agreement is highly confidential and proprietary to Alliance and Client agrees that neither it, nor any of its employees, physicians or representatives, shall disclose in any manner the terms, provisions, pricing or any other information contained in this Agreement (or any related

proposal) to any third party.

7.12 Accreditation. Alliance and Client agree to set standards of care and quality that comply with The Joint Commission and the American College of Radiology (ACR). Alliance and Client mutually shall cooperate in all phases of applying, scheduling, preparing and executing surveys or inspections by The Joint Commission and ACR, as needed. Both parties agree to work cooperatively to implement changes, correct deficiencies or establish policies required

and/or recommended by the inspecting agencies.

7.14 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, that provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision never comprised a part of this Agreement. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance. Furthermore, a provision as similar in its terms to the illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable shall be added to this Agreement automatically to replace the illegal, invalid, or unenforceable provision.

7.15 Credit Checks. By signing the cover page(s) to this Agreement, Client hereby authorizes Alliance, as determined necessary by Alliance in Alliance's discretion upon such signature and from time-to-time during the term of the Agreement, to (i) obtain a standard factual credit data report concerning Client through a credit reporting agency or any other similar agency (a "Credit Reporting Agency") chosen by Alliance, and (ii) release to such Credit Reporting Agency any credit applications, financial information, or any other information of Client. Further, Client hereby agrees to provide Alliance with all appropriate credit applications and paperwork necessary to effectuate the above.

TERMINATION.

8.1 Termination.

a) Material Breach. Alliance or Client may terminate this Agreement if the other party breaches any material covenant, term or provision of this Agreement and the material breach is not cured within sixty (60) days following provision of notice to the breaching party

specifying the alleged material breach.

b) Bankruptcy. Alliance or Client may terminate this Agreement if the other party commits or suffers (voluntarily) or involuntarily) an act of bankruptcy, receivership, liquidation or similar event.

Termination, Alliance. Alliance may

terminate this Agreement or suspend service if:

a) Payment Default. Client fails to make any payment to Alliance when due and such failure continues for ten (10) days following notice to Client. In the case of any payment default, Alliance may, without notice, cease providing services hereunder after three (3) days following a payment due date should it feel insecure with respect to Client's ability or willingness to make payment.

b) inability to Cover Costs. unable to cover its costs on the services provided hereunder. provided that the parties have negotiated in good faith to modify the terms of this Agreement to eliminate sucn inability and a period of sixty (60) days has elapsed since Alliance originally notified Client of such condition. In lieu of termination, Alliance may reduce the number of days of service provided.

c) Mobile Route. Alliance's mobile route for service on the Unit to all Alliance clients (including but not limited to Client) should fall below four days of contracted

service per week.

8.3 Client's Default. Upon Client's default, Alliance may: (i) declare the entire balance of all fees and other amounts due including the sum of all fees and other amounts payable during the balance of the term of this Agreement, or (ii) take any action at law or in equity to collect payments then due and to become due, or to enforce performance of specific obligations. Alliance and Client hereby agree that, in the event of Client's default of this Agreement and Alliance's subsequent termination of this Agreement, damages shall be calculated by using the average monthly procedure volumes by Client over the twelve-month period (or such lesser period if Alliance did not provide at least twelve (12) months of service to Client prior to termination) immediately prior to termination of this Agreement;.

The foregoing remedies are in addition to any provided by law. Neither party shall have obligation to exercise any remedy and the exercise of the remedy shall not release the parties for any obligation hereunder. All remedies shall be cumulative, and action on one shall not constitute an election or waiver of any other right to which either party may be entitled. In addition, the defaulting party shall pay the other parties reasonable attorney's fees together with an amount equal to all expenses paid or incurred in the enforcement of any rights or privileges hereunder.

9. COMPLIANCE WITH LAWS.

- 9.1 Compliance with Current Laws. The parties expressly agree that it is their understanding and intent that this Agreement, including any Exhibits or other attachments, complies as of the effective date hereof with applicable federal and state statutes and regulations, including the Stark Law, 42 U.S.C. Section 1395nn, and the Anti-Kickback Statute (collectively referred to as "Laws"). Client represents and warrants that it has not relied on any billing or reimbursement advice that it may have directly or indirectly received from Alliance, and that Client has and shall consult with Client's own billing and reimbursement experts and attorneys with respect to billing under this Agreement. Further, Client warrants and agrees that, throughout the term of this Agreement, Client shall comply with all applicable billing laws, regulations and rules, as may be amended from time to
- 9.2 No inducement. This Agreement has been negotiated in good faith through arms length negotiations. Nothing contained in this Agreement, including any compensation paid or payable, is intended or shall be construed: (i) to require, influence or otherwise induce or solicit either party regarding referrals of business, or recommending the ordering of any items or services, of any kind whatsoever to the other party or any of its affiliates, or to any other person, or otherwise generate business between the parties, or (ii) to interfere with a patient's right to choose his or her own health care provider, or with a physician's medical judgment regarding the ordering of any items or services.
- judgment regarding the ordering of any items or services.

 9.3 Change in Law. Neither party shall make or receive any payment or take any other action required or permitted hereunder, if any judicial decision, legislative action, regulatory or other administrative interpretation, whether federal or state, would render unlawful the conduct of either party hereunder ("Change in Law"). In the event of such a Change in Law, the parties shall be required to act in good faith to restructure the business arrangement between the parties to conform with then existing Laws. If the parties have not reached an agreement regarding the material terms of the restructured business arrangement within thirty (30) days following the date both parties are on notice of the Change in Law (the "Restructuring Discussions"), the Restructuring Discussions shall terminate and either party may terminate this Agreement.
- 9.4 No Federal Health Care Program Exclusion. Each party represents and warrants to the other party that: (i) the representing party is not currently excluded, debarted, or otherwise ineligible to participate in the Federal health care programs as defined in 42 U.S.C. Section 1320s-7b(f) (the 'Federal health care programs'); and (ii) the representing party is not aware of any circumstances which may result in the representing party being excluded from participation in the Federal health care programs. This shall be an ongoing representation and warranty during the term of this Agreement, and each party shall immediately notify the other party of any change in status of the representation and warranty set forth in this Section. In the event a party becomes excluded, debarred, or otherwise ineligible to participate in the Federal health care programs, that party shall be considered in default of this Agreement, and the other party may immediately terminate this Agreement for cause.
- 10. EXECUTION. By their signatures on the cover page(s) of this Agreement, each of the signatories to this Agreement represent that they have the authority to execute this Agreement and to bind the party on whose behalf their execution is made.

- 11. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original and which together shall constitute one and the same instrument. A photocopy of the executed Agreement may be used as if it were the original Agreement.
- 12. REGULATORY COMPLIANCE The parties acknowledge their intent that this contract, and all services performed hereunder, shall be in compliance with all applicable federal and state regulatory standards, all applicable JCAHO and CMS standards, all reasonable Client policies and procedures that Alliance received written copies of in advance and any other applicable agency regulatory standards or those promulgated or required by third-party payors, whether currently existing or created during the term of this Agreement. Without limiting the foregoing, the parties agree that each will comply with the provisions of Title VI of the Civil Rights Act of 1964, and specifically, that each party hereto agrees not to discriminate on the basis of race, sex, religion, color, national or ethnic origin, age, disability, or military service in administration of its policies, programs, employment, services or activities.
- 13. RECORD RETENTION: To the extent applicable, the parties agree to maintain records relative to services performed under this Agreement in sufficient detail to provide for verification by Medicare or other payors. If required, the parties agree to comply with the access to books, documents and records of subcontractors provisions of Section 952 of the Omnibus Reconciliation Act of 1980 (P.L. 96-499), and 42 C.F.R., Part 420, Subpart (D), Section 420.300, et seq. In accordance with these provisions, the parties will, upon proper written request made in conformance with 42 C.F.R. 420.304, allow the Comptroller General of the United States, the Secretary of Health and Human Services, and their duly authorized representatives access to this Agreement and to the parties books, documents and records (as defined in 42 C.F.R., Part 420, as amended), which shall be deemed by the parties to supersede this provision and be made a part of this Agreement by reference.
- 14. CONFIDENTIALITY OF PATIEN'T INFORMATION Alliance understands and agrees that it will keep all information concerning Client's patients ("Patient Information") strictly confidential and will abide by all applicable state, federal and local laws, rules and regulations concerning the confidentiality of patient information. Alliance further acknowledges and agrees to execute amendments to this Agreement as may be required by law or regulation, including, but not limited to the HIPAA regulations (45 CFR 160 et seq.). Accordingly, Alliance agrees that it will (i) not use or further disclose Patient Information other than as permitted or required by this Agreement or as required by law, (ii) use appropriate safeguards to prevent use or disclosure of Patient Information other than as provided for by this Agreement, (iii) report any use or disclosure of Patient Information not provided for by this Agreement of which it becomes aware, (iv) ensure Alliance's agents and subcontractors agree to these same provisions, (v) make Patient Information available to the individual who is the subject of the Patient Information upon her or his request, (vi) incorporate any amendments as legislatively required, (vii) provide an accounting of disclosures made upon an individual's request, and (viii) make its internal practices, books and records relating to the use and disclosure of Patient Information available to the Secretary of Health and Human Services as required by HIPAA. Further, Alliance acknowledges and agrees that a

breach of this Section may result in the termination of this Agreement.

15 CONFLICT OF INTEREST - Client is a 501(c) (3) charitable organization which must engage primarily in activities that accomplish one or more of its tax exempt purposes in order to retain its tax exempt status. To this end, each party certifies that 1) it has not received and/or given anything of value in exchange for entering into this Agreement

(other than that which has been fully disclosed herein), and 2) it has no knowledge of any real or apparent conflict of interest which will/may result from performance under this Agreement.

[END OF GENERAL TERMS AND CONDITIONS]

ATLIANCE HEALTHCARE SHRVICHS

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ADDENDUM "B" PETAT MASTER SERVICES AGREEMENT

Magazini s

This Addenges modifies the PET/CT Master Services Agreement (the "Agreement"), Tilly executed to February 13, 1604, as amended, between Alliance through the February 13, 1604, as amended, between Alliance through incested at 160 disputes. Churc. Sung 400, Nowport Beach, California, 92660 ("Alliance") and Manry Regional Hospital, other Misrry Regional Ferdical Center, a Tentersee and for profit corporation, located at 1224 Tropped Avenue, Columbia, Tempagae 18461 (the "Client").

The provisions of this Addengum shall become affective as of the date fully executed helow. When properly executed below this Addengum shall be added to the above named Agreement.

Section 3 of the Agreement Cover Page, is bareby replaced in its entirely to read as follows:

dangdy dalamai'n da

FLAT DATEY FEE. (excluding Radiopharmacautical)

Ten (10) hour day of service

Hamfy overline boying ten (10) hours that an Allishe's rechnologist is present at the Link Location:

5300

Section 5(b) is hereby added to the Agreement Cover Page as follows:

3(b) Reim Externalon. The term of this Agreement is extended through and of day hing 30, 2014. This

5" sentents of Steller I of the Agreement regarding CPI-U is hereby deleted. Atlance shall not implement any CPI-U learness for the remaining term of this Agreement.

Souther SA (a) of the Agreement is noteby replaced in its enthery to read as follows:

\$\text{\$\ext{\$\text{\$\e

Except as leader above provided, no other change, amendment or modification of the Agreement is beenly intended or implied including bit not implied to any prior traits of this Addendum has been fully executed. Capating these in the Addendum analysis and been fully executed. Capating these in the Adventum analysis and been made a provided to the Adventum.

Alfinite and Ellent selviowledge that they and their respective legal counsel have had the opportunity to participate equality in the desting of the Addenday and that in the event of a dispute, no purp shall be treated, for any purpose, as the author of this Acceptains nor have any ambiguity resolved against it on account the cool.

He light signatures to this Addendum, each of the signatories to this Addendum represent that they have the militarity to excite the Addendum solute build the party on whose begat their execution is made. This Addendum constitutes the legal, valid and birding obligation of the parties information in accordance with its terms.

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Alliance and Clume hipse Muly card outed this Addendary as of the last data welcon below.

ADJANCE HEALTHCARE SERVICES, INC.	MAURY RECIDENT HOSPITAL, DIRAMEDRY RECIDIAL MEDICAL CENTER
AND THE HOWARD AND A HORSE AND THE PROPERTY OF	_ Parle 1
EVE Carrier County & Company Scale Logs Bank: 04-76-7 MOR CONTEXTORE ONLY:	Authorized Sugmeture Feliced Warner File: Unio: Unio:
Customer V.	13810 Client Type Hospital DO Region Filter Thomas Abid Section Company

To Molf a Signist Designated: Adjustice HealthCare Services Inc., ATTN: Contract. Administration Department, 100 Bayeses Chels. Supplied: Newport Starts: California, 193660.

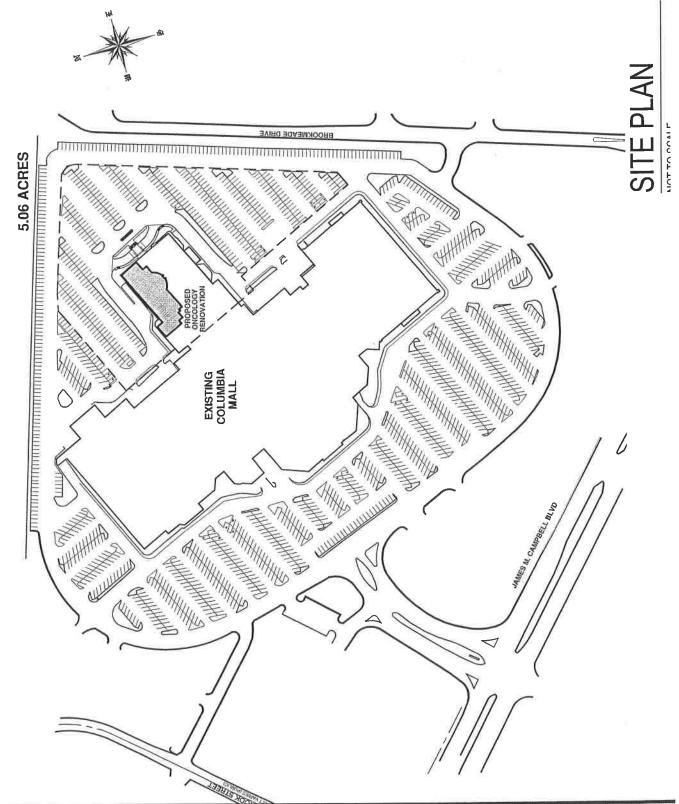
To Disally Signed Officinetic Confidence Molling Com-

To Fax a Signed Resumant: 802-345-7637.

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Attachment B.III.(A) – Plot Plan



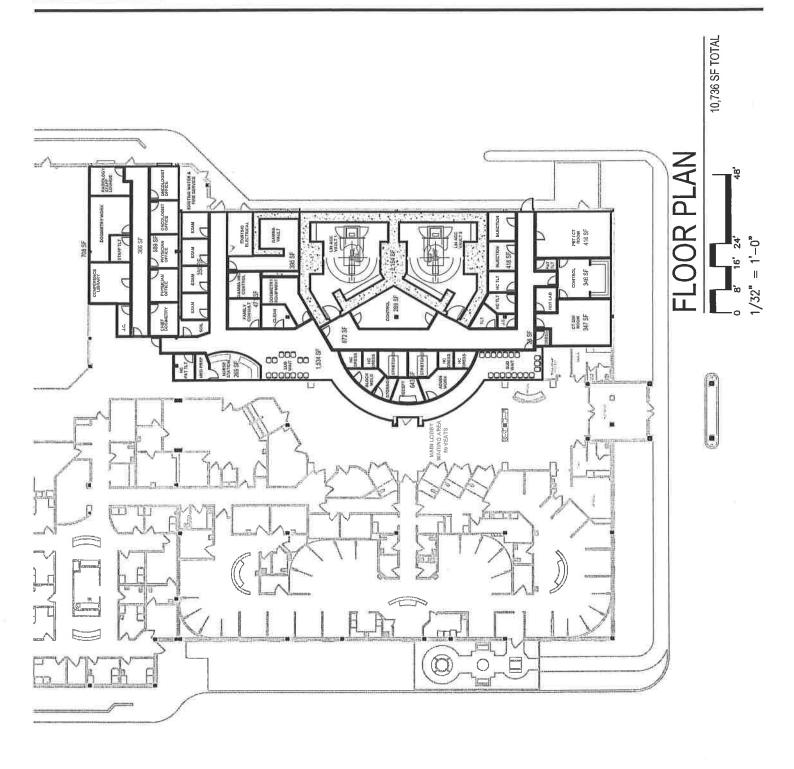


Suite 300 Brentwood, TN 37027

615.370.8500 615.370.8530

COLUMBIA, TENNESSEE MAURY REGIONAL MEDICAL CENTER AT COLUMBIA MALL MRMC ONCOLOGY

Attachment B.IV - Floor Plan



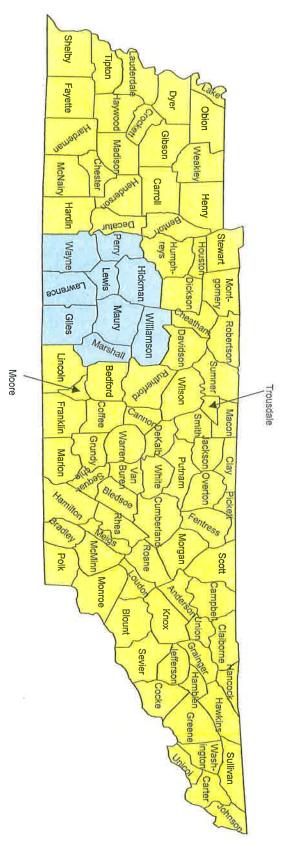


MAURY REGIONAL MEDICAL CENTER COLUMBIA, TN

AT COLUMBIA MALL **WKWC ONCOFOGA**

Attachment C – Need 3 – Service Area Map

TENNESSEE



Attachment C – Need 4 – Demographic Data

U.S Department of Commerce

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People Business Geography Data Research Newsroom Search

State & County QuickFacts

Giles County, Tennessee

People QuickFacts	Giles County	Tennessee
Population, 2012 estimate	29,072	6,456,243
Population, 2010 (April 1) estimates base	29,485	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	-1.4%	1.7%
Population, 2010	29,485	6,346,105
Persons under 5 years, percent, 2011	5.8%	6.3%
Persons under 18 years, percent, 2011	21.9%	23,3%
Persons 65 years and over, percent, 2011	17.3%	13.7%
Female persons, percent, 2011	51.3%	51.3%
White persons, percent, 2011 (a)	86,9%	79,5%
Black persons, percent, 2011 (a)	10.4%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.4%	0.4%
Asian persons, percent, 2011 (a)	0.4%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	Z	0.1%
Persons reporting two or more races, percent, 2011	1.8%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	1.7%	4.7%
White persons not Hispanic, percent, 2011	85.3%	75.4%
Living in same house 1 year & over, percent, 2007-2011	88.0%	84.1%
Foreign born persons, percent, 2007-2011	1.4%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	1.8%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	79.2%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	13.2%	23.0%
Veterans, 2007-2011	2,471	501,665
Mean travel time to work (minutes), workers age 16+, 2007 -2011	25.2	24.0
Housing units, 2011	13,851	2,829,025
Homeownership rate, 2007-2011	75.3%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	11.2%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$98,500	\$137,200
Households, 2007-2011	11,602	2,457,997
Persons per household, 2007-2011	2.50	2.50
Per capita money income in the past 12 months (2011	\$20,105	\$24,197
dollars), 2007-2011 Median household income, 2007-2011	\$37,981	\$43,989
Persons below poverty level, percent, 2007-2011	17.8%	
T dische bolow posterity lester, personn, 2001.	Giles	
Business QuickFacts	County	Tennessee
Private nonfarm establishments, 2011	543	SEAVILE S
Private nonfarm employment, 2011	7,337	
Private nonfarm employment, percent change, 2010-2011	5.8%	
Nonemployer establishments, 2010	1,754	
Total number of firms, 2007	2 6 4 0	545,348
Black-owned firms, percent, 2007	2,649 2.6%	
American Indian- and Alaska Native-owned firms, percent, 2007	2,070 F	
Asian-owned firms, percent, 2007	·····	
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	
Hispanic-owned firms, percent, 2007	F	
	and the late of the same of the same	

Metropolitan or Micropolitan Statistical Area	None	naco-estantenni
FIPS Code	055	47
Persons per square mile, 2010	48.3	153.9
Land area in square miles, 2010	610.93	41,234.90
Geography QuickFacts	Giles County	Tennessee
Building permits, 2012	8	20,147
Accommodation and food services sales, 2007 (\$1000)	24,871	10,626,759
Retail sales per capita, 2007	\$10,799	\$12,563
Retail sales, 2007 (\$1000)	313,287	77,547,291
Merchant wholesaler sales, 2007 (\$1000)	112,932	80,116,528
Manufacturers shipments, 2007 (\$1000)	1,004,159	140,447,760

^{1:} Includes data not distributed by county.

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 06-Jun-2013 12:14:35 EDT

⁽a) includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information F: Fewer than 25 firms
FN: Footnote on this item for this area in place of data
NA: Not available
S: Suppressed; does not meet publication standards
X: Not applicable
Z: Value greater than zero but less than half unit of measure shown

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Newsroom

State & County QuickFacts

Hickman County, Tennessee

People QuickFacts	Hickman County	Tennessee
Population, 2012 estimate	24,170	6,456,243
Population, 2010 (April 1) estimates base	24,690	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	-2.1%	1.7%
Population, 2010	24,690	6,346,105
Persons under 5 years, percent, 2011	5.4%	6.3%
Persons under 18 years, percent, 2011	21.9%	23.3%
Persons 65 years and over, percent, 2011	14.5%	13.7%
Female persons, percent, 2011	47.6%	51.3%
White persons, percent, 2011 (a)	93.1%	79.5%
Black persons, percent, 2011 (a)	4.9%	16.9%
American Indian and Alaska Native persons, percent, 2011		7.00
(a)	0.5%	0.4%
Asian persons, percent, 2011 (a)	0.3%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	Z	0.1%
Persons reporting two or more races, percent, 2011	1.3%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	1.9%	4.7%
White persons not Hispanic, percent, 2011	91.4%	75.4%
Living in same house 1 year & over, percent, 2007-2011	86.1%	84.1%
Foreign born persons, percent, 2007-2011	1.6%	4.5%
Language other than English spoken at home, percent age	1.070	+
5+, 2007-2011 High school graduate or higher, percent of persons age	2.1%	6.4%
25+, 2007-2011	76.5%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	10.9%	23.0%
Veterans, 2007-2011	1,922	501,665
Mean travel time to work (minutes), workers age 16+, 2007 -2011	36.5	24.0
Housing units, 2011	10,429	2,829,025
Homeownership rate, 2007-2011	80.6%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	4.1%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$102,900	\$137,200
Households, 2007-2011	8,948	2,457,997
Persons per household, 2007-2011	2.58	2,50
Per capita money income in the past 12 months (2011	\$18,914	\$24,197
dollars), 2007-2011 Median household income, 2007-2011	\$43,935	\$43,989
Persons below poverty level, percent, 2007-2011	13.7%	16.9%
r ersoris below poverty level, personic, 2007 2011	Hickman	10.070
Business QuickFacts		Tennessee
Private nonfarm establishments, 2011	253	129,489
Private nonfarm employment, 2011	2,296	2,300,542 ¹
Private nonfarm employment, percent change, 2010-2011	-0.4%	1.6%
Nonemployer establishments, 2010	1,691	465,545
Takel a unabase of firms 2007	4.000	EAE 240
Total number of firms, 2007	1,889 F	545,348
Black-owned firms, percent, 2007 American Indian- and Alaska Native-owned firms, percent,		8.4%
2007	F	0.5%
Asian-owned firms, percent, 2007	F	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.1%
Hispanic-owned firms, percent, 2007	S	1.6%
Women-owned firms, percent, 2007	25,5%	25.9%

Metropolitan or Micropolitan Statistical Area	Nashville- Davidson Murfreesboro Franklin, TN Metro	
FIPS Code	081	47
Persons per square mile, 2010	40.3	153.9
Land area in square miles, 2010	612.50	41,234.90
Geography QuickFacts	Hickman County	Tennessee
Building permits, 2012	6	20,147
Accommodation and food services sales, 2007 (\$1000)) 7,097	10,626,759
Retail sales per capita, 2007	\$3,233	\$12,563
Retail sales, 2007 (\$1000)	76,884	77,547,291
Merchant wholesaler sales, 2007 (\$1000)	D	80,116,528
Manufacturers shipments, 2007 (\$1000)	D	140,447,760

^{1:} Includes data not distributed by county.

(a) Includes persons reporting only one race.
 (b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information
F: Fewer than 25 firms
FN: Footnote on this item for this area in place of data
NA: Not available
S: Suppressed; does not meet publication standards
X: Not applicable
Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 06-Jun-2013 12:14:39 EDT

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State & County QuickFacts

Lawrence County, Tennessee

People QuickFacts	Lawrence County	Tennessee
Population, 2012 estimate	42,086	6,456,243
Population, 2010 (April 1) estimates base	41,869	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	0.5%	1.7%
Population, 2010	41,869	6,346,105
Persons under 5 years, percent, 2011	6.7%	6,3%
Persons under 18 years, percent, 2011	24.9%	23.3%
Persons 65 years and over, percent, 2011	16.4%	13.7%
Female persons, percent, 2011	51.1%	51.3%
Milita persona persona 2011 (a)	95.9%	79.5%
White persons, percent, 2011 (a)	1.8%	16.9%
Black persons, percent, 2011 (a) American Indian and Alaska Native persons, percent, 2011	1.070	10,370
(a)	0.4%	0.4%
Asian persons, percent, 2011 (a)	0.3%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	Z	0.1%
Persons reporting two or more races, percent, 2011	1,5%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	1.7%	4.7%
White persons not Hispanic, percent, 2011	94.5%	75.4%
Living in same house 1 year & over, percent, 2007-2011	89.0%	84.1%
Foreign born persons, percent, 2007-2011	1.4%	Carl A. Concession of the
Language other than English spoken at home, percent age	1,470	4.070
5+, 2007-2011 High school graduate or higher, percent of persons age	3.1%	6.4%
25+, 2007-2011	77.6%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	11.2%	23.0%
Veterans, 2007-2011	3,438	501,665
Mean travel time to work (minutes), workers age 16+, 2007 -2011	25.6	24.0
Housing units, 2011	18,262	2,829,025
Homeownership rate, 2007-2011	76.2%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	7.2%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$95,300	\$137,200
Households, 2007-2011	15,958	2,457,997
Persons per household, 2007-2011	2.58	2.50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$18,059	\$24,197
Median household income, 2007-2011	\$35,737	
Persons below poverty level, percent, 2007-2011	17.2%	
	Lawrence	
Business QuickFacts	County	Tennessee
Private nonfarm establishments, 2011	706	129,489 ¹
Private nonfarm employment, 2011	8,214	
Private nonfarm employment, percent change, 2010-2011	4.5%	
Nonemployer establishments, 2010	3,030	
Table weeks of firms 2007	2.077	EAE 240
Total number of firms, 2007 Black-owned firms, percent, 2007	3,277 F	
American Indian- and Alaska Native-owned firms, percent,		0.470
2007	F	0.5%
Asian-owned firms, percent, 2007	8	2.0%
Native Hawaiian and Other Pacific Islander-owned firms,	F	0.1%
percent, 2007		0.170
	S	

Motopolitair of Minerapairtain	Lawrenceburg, TN Micro Area	
FIPS Code	099	47
Persons per square mile, 2010	67.8	153.9
Land area in square miles, 2010	617.13	41,234.90
Geography QuickFacts	County County	Tennessee
Building permits, 2012	. 7	20,147
Accommodation and food services sales, 2007 (\$1000)	37,439	10,626,759
Retail sales per capita, 2007	\$9,318	\$12,563
Retail sales, 2007 (\$1000)	380,971	77,547,291
Merchant wholesaler sales, 2007 (\$1000)	D	80,116,528
Manufacturers shipments, 2007 (\$1000)	D	140,447,760

^{1:} Includes data not distributed by county.

Source U.S. Census Bureau; State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 06-Jun-2013 12:14:41 EDT

⁽a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information
F: Fewer than 25 firms
FN: Footnote on this item for this area in place of data
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S: Suppressed; does not meet publication standards
X: Not applicable
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State & County QuickFacts

Lewis County, Tennessee

People QuickFacts	Lewis County 1	Tennessee
Population, 2012 estimate	11,896	6,456,243
Population, 2010 (April 1) estimates base	12,161	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	-2.2%	1.7%
Population, 2010	12,161	6,346,105
Persons under 5 years, percent, 2011	5.9%	6,3%
Persons under 18 years, percent, 2011	23.7%	23.3%
Persons 65 years and over, percent, 2011	16.5%	13.7%
Female persons, percent, 2011	50.9%	51.3%
White persons, percent, 2011 (a)	96.0%	79.5%
Black persons, percent, 2011 (a)	1.9%	16.9%
American Indian and Alaska Native persons, percent, 2011	0.4%	0.4%
(a) Asian persons, percent, 2011 (a)	0.4%	1.5%
Native Hawaiian and Other Pacific Islander persons,		
percent, 2011 (a)	Z	0.1%
Persons reporting two or more races, percent, 2011	1.3%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	2.0%	4.7%
White persons not Hispanic, percent, 2011	94.1%	75.4%
Living in same house 1 year & over, percent, 2007-2011	86.2%	84.1%
Foreign born persons, percent, 2007-2011	1.6%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	2.2%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	76.1%	83.29
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	10.4%	23.0%
Veterans, 2007-2011	1,138	501,66
Mean travel time to work (minutes), workers age 16+, 2007 -2011	28.5	24.0
Housing units, 2011	5,522	2,829,02
Homeownership rate, 2007-2011	76.4%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	5.5%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$93,200	\$137,20
Households, 2007-2011	4,655	2,457,99
Persons per household, 2007-2011	2.54	2.5
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$17,209	\$24,19
Median household income, 2007-2011	\$32,337	\$43,98
Persons below poverty level, percent, 2007-2011	19.8%	16.99
The second secon	Lewis	
Business QuickFacts		Tennesse
Private nonfarm establishments, 2011	196	129,489
Private nonfarm employment, 2011	1,688	2,300,542
Private nonfarm employment, percent change, 2010-2011	-5.2%	1,6%
Nonemployer establishments, 2010	872	465,54
Total number of firms, 2007	1,141	545,34
Black-owned firms, percent, 2007	F	8.49
American Indian- and Alaska Native-owned firms, percent,		
2007		0.59
Asian-owned firms, percent, 2007	F	2.09
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.19
Hispanic-owned firms, percent, 2007	F	1.69
Women-owned firms, percent, 2007	S	25.99

Manufacturers shipments, 2007 (\$1000)	0 ¹	140,447,760
Merchant wholesaler sales, 2007 (\$1000)	D	80,116,528
Retail sales, 2007 (\$1000)	132,793	77,547,291
Retail sales per capita, 2007	\$11,519	\$12,563
Accommodation and food services sales, 2007 (\$1000)	7,996	10,626,759
Building permits, 2012	0	20,147
	Lewis County	Tennessee
Geography QuickFacts		
Geography QuickFacts Land area in square miles, 2010	282.09	41,234.90
		41,234.90 153.9
Land area in square miles, 2010	282.09	

- Counties with 500 employees or less are excluded.
 Includes data not distributed by county.

- (a) Includes persons reporting only one race.(b) Hispanics may be of any race, so also are included in applicable race categories.

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 F: Fewer than 25 firms
 FN: Footnote on this item for this area in place of data
 NA: Not available
 S: Suppressed; does not meet publication standards
 X: Not applicable
 Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 05-Jun-2013 12:14:42 EDT

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State & County QuickFacts

Marshall County, Tennessee

People QuickFacts	Marshall County	Tennessee
Population, 2012 estimate	30,883	6,456,243
Population, 2010 (April 1) estimates base	30,617	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	0.9%	1.7%
Population, 2010	30,617	6,346,105
Persons under 5 years, percent, 2011	6,2%	6.3%
Persons under 18 years, percent, 2011	24.1%	23.3%
Persons 65 years and over, percent, 2011	13.5%	13.7%
Female persons, percent, 2011	50.9%	51,3%
White persons, percent, 2011 (a)	90.7%	79.5%
Black persons, percent, 2011 (a)	6,8%	16.9%
American Indian and Alaska Native persons, percent, 2011	0.40/	0.40/
(a)	0.4%	0.4%
Asian persons, percent, 2011 (a)	0,6%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2011	1.5%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	4.8%	4.7%
White persons not Hispanic, percent, 2011	86.4%	75.4%
Living in same house 1 year & over, percent, 2007-2011	86.1%	84.1%
Foreign born persons, percent, 2007-2011	3.1%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	4.5%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	78.3%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	11.2%	23.0%
Veterans, 2007-2011	2,426	501,665
Mean travel time to work (minutes), workers age 16+, 2007 -2011	28.0	24.0
Housing units, 2011	13,217	2,829,025
Homeownership rate, 2007-2011	74.8%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	8.7%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$106,000	\$137,200
Households, 2007-2011	11,533	2,457,997
Persons per household, 2007-2011	2.60	2.50
Per capita money income in the past 12 months (2011	\$20,569	\$24,197
dollars), 2007-2011 Median household income, 2007-2011	\$41,620	\$43,989
Persons below poverty level, percent, 2007-2011	16.3%	16.9%
T closing below porotty into percent percent	Marshall	
Business QuickFacts		Tennessee
Private nonfarm establishments, 2011	473	129,489
Private nonfarm employment, 2011	6,507	2,300,542
Private nonfarm employment, percent change, 2010-2011	-3.3%	1.6%
Nonemployer establishments, 2010	1,958	465,54
Total number of firms, 2007	2,441	545,34
Black-owned firms, percent, 2007	S	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%
Asian-owned firms, percent, 2007	S	2.09
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.1%
Hispanic-owned firms, percent, 2007	S	1.69
The second secon	4 4 1	er ing in miles make

Metropolitan or Micropolitan Statistical Area	Lewisburg, TN Micro Area	
FIPS Code	117	47
Persons per square mile, 2010	81.5	153.9
Land area in square miles, 2010	375.46	41,234.90
Geography QuickFacts	Marshall County	Tennessee
Building permits, 2012	57	20,147
Accommodation and food services sales, 2007 (\$1000)	21,090	10,626,759
Retail sales per capita, 2007	\$9,179	\$12,563
Retail sales, 2007 (\$1000)	269,685	77,547,291
Merchant wholesaler sales, 2007 (\$1000)	D	80,116,528
Manufacturers shipments, 2007 (\$1000)	1,490,088	140,447,760

^{1:} Includes data not distributed by county.

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 06-Jun-2013 12:14:44 EDT

⁽a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information F: Fewer than 25 firms
FN: Footnote on this item for this area in place of data
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State & County QuickFacts

Maury County, Tennessee

People QuickFacts	Maury County	Tennessee
Population, 2012 estimate	81,990	6,456,243
Population, 2010 (April 1) estimates base	80,956	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	1.3%	1.7%
Population, 2010	80,956	6,346,105
Persons under 5 years, percent, 2011	7.1%	6.3%
Persons under 18 years, percent, 2011	24.0%	23.3%
Persons 65 years and over, percent, 2011	13.4%	13.7%
Female persons, percent, 2011	51.7%	51.3%
White persons, percent, 2011 (a)	84.6%	79.5%
Black persons, percent, 2011 (a)	12.6%	16.9%
American Indian and Alaska Native persons, percent, 2011	0.4%	0.4%
Asian persons, percent, 2011 (a)	0.7%	1,5%
Native Hawaiian and Other Pacific Islander persons,	0.7 70	1,0/
percent, 2011 (a)	Z	0.1%
Persons reporting two or more races, percent, 2011	1.7%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	5.0%	4.7%
White persons not Hispanic, percent, 2011	80.1%	75.4%
Living in same house 1 year & over, percent, 2007-2011	83.9%	84.1%
Foreign born persons, percent, 2007-2011	3.2%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	5.0%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	83.9%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	16.6%	23.0%
Veterans, 2007-2011	6,136	501,668
Mean travel time to work (minutes), workers age 16+, 2007 -2011	26.9	24.0
Housing units, 2011	35,331	2,829,02
Homeownership rate, 2007-2011	72.4%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	13.0%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$138,200	\$137,200
Households, 2007-2011	31,811	2,457,99
Persons per household, 2007-2011	2.48	2.50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$23,098	\$24,19
Median household income, 2007-2011	\$46,552	\$43,989
Persons below poverty level, percent, 2007-2011	14.8%	16.9%
	Maury	
Business QuickFacts	County	Tennesse
Private nonfarm establishments, 2011	1,620	129,489
Private nonfarm employment, 2011	22,564	2,300,542
Private nonfarm employment, percent change, 2010-2011	-1.9%	1.6%
Nonemployer establishments, 2010	5,499	465,54
Total number of firms 2007		545,34
Total number of firms, 2007 Black-owned firms, percent, 2007	6,043	8.49
American Indian- and Alaska Native-owned firms, percent,	5.0 % F	0.5%
2007 Asian-owned firms, percent, 2007	1.9%	2.09
Native Hawaiian and Other Pacific Islander-owned firms,	1.570	4.07
percent, 2007	F	0.19
Hispanic-owned firms, percent, 2007	S	1.69
Women-owned firms, percent, 2007	22.8%	25,99

Manufacturers shipments, 2007 (\$1000)	D	140,447,760
Merchant wholesaler sales, 2007 (\$1000)	245,115	80,116,528
Retail sales, 2007 (\$1000)	898,300	77,547,291
Retail sales per capita, 2007	\$11,170	\$12,563
Accommodation and food services sales, 2007 (\$1000)	97,274	10,626,759
Building permits, 2012	542	20,147
CANAL ME MENTAL BROKE BY CASSESSED BY MINE BY MINE BY SELECTION OF THE SEL	Maury	
Geography QuickFacts	County	Tennessee
Land area in square miles, 2010	613.14	41,234.90
Persons per square mile, 2010	132.0	153.9
FIPS Code	119	47
	Columbia,	
Metropolitan or Micropolitan Statistical Area	TN Micro	

^{1:} Includes data not distributed by county.

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Pattems, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 06-Jun-2013 12:14:44 EDT

⁽a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

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State & County QuickFacts

Perry County, Tennessee

People QuickFacts	Perry County 1	Tennessee
Population, 2012 estimate	7,860	6,456,243
Population, 2010 (April 1) estimates base	7,915	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	-0.7%	1.7%
Population, 2010	7,915	6,346,105
Persons under 5 years, percent, 2011	6.0%	6.3%
Persons under 18 years, percent, 2011	22.2%	23.3%
Persons 65 years and over, percent, 2011	19.2%	13.7%
Female persons, percent, 2011	49.8%	51.3%
White persons, percent, 2011 (a)	95.8%	79.5%
Black persons, percent, 2011 (a)	1.8%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.6%	0.4%
Asian persons, percent, 2011 (a)	0.3%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.0%	0.1%
Persons reporting two or more races, percent, 2011	1.5%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	1.9%	4.7%
White persons not Hispanic, percent, 2011	94.1%	75.4%
Living in same house 1 year & over, percent, 2007-2011	82.5%	84.1%
Foreign born persons, percent, 2007-2011	0.4%	4.5%
Language other than English spoken at home, percent age		
5+, 2007-2011 High school graduate or higher, percent of persons age	1.2%	6,4%
25+, 2007-2011	76.4%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	10.7%	23.0%
Veterans, 2007-2011	649	501,665
Mean travel time to work (minutes), workers age 16+, 2007 -2011	25.7	24.0
Housing units, 2011	4,632	2,829,025
Homeownership rate, 2007-2011	72.2%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	4.4%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$79,900	\$137,200
Households, 2007-2011	3,240	2,457,997
Persons per household, 2007-2011	2.37	2.50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$17,083	\$24,197
Median household income, 2007-2011	\$31,857	\$43,989
Persons below poverty level, percent, 2007-2011	22.9%	16.9%
	Perry	
Business QuickFacts	County	Tennessee
Private nonfarm establishments, 2011	116	129,489
Private nonfarm employment, 2011	1,256	2,300,542
Private nonfarm employment, percent change, 2010-2011	-2.9%	1.6%
Nonemployer establishments, 2010	578	465,54
Total number of firms, 2007	669	545,34
Black-owned firms, percent, 2007	S	8.49
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%
Asian-owned firms, percent, 2007	F	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.19
Hispanic-owned firms, percent, 2007	F	1.69
	S	25.9%

Manufacturers shipments, 2007 (\$1000)	169,955	140,447,760
Merchant wholesaler sales, 2007 (\$1000)	D	80,116,528
Retail sales, 2007 (\$1000)	24,286	77,547,291
Retail sales per capita, 2007	\$3,163	\$12,563
Accommodation and food services sales, 2007 (\$1000)	D	10,626,759
Building permits, 2012	0	20,147
The second secon	Perry	
Geography QuickFacts	County	Tennessee
Land area in square miles, 2010	414.73	41,234.90
Persons per square mile, 2010	19.1	153.9
FIPS Code	135	47
Metropolitan or Micropolitan Statistical Area	None	

^{1:} Includes data not distributed by county.

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 06-Jun-2013 12:14:46 EDT

⁽a) Includes persons reporting only one race.(b) Hispanics may be of any race, so also are included in applicable race categories.

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State & County QuickFacts

Wayne County, Tennessee

People QuickFacts	Wayne County 1	Tennessee
Population, 2012 estimate	16,996	6,456,243
Population, 2010 (April 1) estimates base	17,021	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	-0.1%	1.7%
Population, 2010	17,021	6,346,105
Persons under 5 years, percent, 2011	4.4%	6.3%
Persons under 18 years, percent, 2011	19.2%	23.3%
Persons 65 years and over, percent, 2011	16.2%	13.7%
Female persons, percent, 2011	44.9%	51.3%
White persons, percent, 2011 (a)	92.5%	79.5%
Black persons, percent, 2011 (a)	6.1%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.4%	0.4%
Asian persons, percent, 2011 (a)	0.2%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	Z	0.1%
Persons reporting two or more races, percent, 2011	0.8%	1.69
Persons of Hispanic or Latino Origin, percent, 2011 (b)	1.7%	4.79
White persons not Hispanic, percent, 2011	91.0%	75.49
	07.00/	0.4.40
Living in same house 1 year & over, percent, 2007-2011	87.6%	84.19
Foreign born persons, percent, 2007-2011	1,4%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	3.8%	6.49
High school graduate or higher, percent of persons age 25+, 2007-2011	73.9%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	7.0%	23.0%
Veterans, 2007-2011	1,472	501,66
Mean travel time to work (minutes), workers age 16+, 2007 -2011	27.7	24.
Housing units, 2011	7,309	2,829,02
Homeownership rate, 2007-2011	84.4%	69.09
Housing units in multi-unit structures, percent, 2007-2011	3.6%	18.19
Median value of owner-occupied housing units, 2007-2011	\$70,300	\$137,20
Households, 2007-2011	5,927	2,457,99
Persons per household, 2007-2011	2.47	2.5
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$15,466	\$24,19
Median household income, 2007-2011	\$33,630	\$43,98
Persons below poverty level, percent, 2007-2011	20.9%	16.99
	Wayne	
Business QuickFacts	County	Tennesse
Private nonfarm establishments, 2011	205	129,489
Private nonfarm employment, 2011	2,458	2,300,542
Private nonfarm employment, percent change, 2010-2011	-3.5%	1.6%
Nonemployer establishments, 2010	934	465,54
Total number of firms, 2007	1,169	545,34
Black-owned firms, percent, 2007	F	8.49
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5
Asian-owned firms, percent, 2007	F	2.00
Native Hawaiian and Other Pacific Islander-owned firms,		
percent, 2007	F.	0.19
Hispanic-owned firms, percent, 2007	F	1.69
Women-owned firms, percent, 2007	23.8%	25.99

109,872	140,447,760
38,046	80,116,528
66,626	77,547,291
\$4,020	\$12,563
8,470	10,626,759
1	20,147
Wayne	
County	Tennessee
734,10	41,234.90
23.2	153.9
181	47
None	
	38,046 66,626 \$4,020 8,470 1 Wayne County 734.10 23.2

^{1:} Includes data not distributed by county.

Source U.S. Census Bureau: Slate and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 06-Jun-2013 12:14:52 EDT

⁽a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

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State & County QuickFacts

Williamson County, Tennessee

People QuickFacts	Williamson County T	'ennessee
Population, 2012 estimate	192,911	6,456,243
Population, 2010 (April 1) estimates base	183,180	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	5.3%	1.7%
Population, 2010	183,182	6,346,105
Persons under 5 years, percent, 2011	6.4%	6.3%
Persons under 18 years, percent, 2011	28.8%	23.3%
Persons 65 years and over, percent, 2011	10.1%	13.7%
Female persons, percent, 2011	51.2%	51.3%
White persons, percent, 2011 (a)	90.6%	79.5%
Black persons, percent, 2011 (a)	4.7%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.3%	0.4%
Asian persons, percent, 2011 (a)	3.1%	1.5%
Native Hawaiian and Other Pacific Islander persons,	0.10/	0.1%
percent, 2011 (a)	0.1%	1.6%
Persons reporting two or more races, percent, 2011	1.3%	4.7%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	4.6% 86.3%	75.4%
White persons not Hispanic, percent, 2011	00,370	73,470
Living in same house 1 year & over, percent, 2007-2011	87.2%	84.1%
Foreign born persons, percent, 2007-2011	6.1%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	7.9%	6,4%
High school graduate or higher, percent of persons age 25+, 2007-2011	94.5%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	51.5%	23.0%
Veterans, 2007-2011	10,061	501,665
Mean travel time to work (minutes), workers age 16+, 2007-2011	26.9	24.0
Housing units, 2011	69,735	2,829,025
Homeownership rate, 2007-2011	82.2%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	11.7%	18.1%
Median value of owner-occupied housing units, 2007- 2011	\$336,900	\$137,200
Households, 2007-2011	64,011	2,457,997
Persons per household, 2007-2011	2.79	2,50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$41,558	\$24,197
Median household income, 2007-2011	\$89,063	\$43,989
Persons below poverty level, percent, 2007-2011	5.5%	16.9%
Business QuickFacts	Williamson County	Tennessee
Private nonfarm establishments, 2011	6,060	129,489
Private nonfarm employment, 2011	94,792	2,300,542
Private nonfarm employment, percent change, 2010-2011	1 4.8%	1.6%
Nonemployer establishments, 2010	20,808	465,545
Total number of firms, 2007	25,339	545,34
Black-owned firms, percent, 2007	2.2%	8.49
American Indian- and Alaska Native-owned firms, percent, 2007	s	0.5%
Asian-owned firms, percent, 2007	1.4%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms,		0.19
percent, 2007 Hispanic-owned firms, percent, 2007	1.4%	1.69
	1.4%	1.07

Women-owned firms, percent, 2007	22.5%	25.9%
Manufacturers shipments, 2007 (\$1000)	1,106,825	140,447,760
Merchant wholesaler sales, 2007 (\$1000)	2,755,997	80,116,528
Retail sales, 2007 (\$1000)	3,306,994	77,547,291
Retail sales per capita, 2007	\$19,834	\$12,563
Accommodation and food services sales, 2007 (\$1000)	383,468	10,626,759
Building permits, 2012	1,532	20,147
	Williamson	- 2 4 - 31 - 22
Geography QuickFacts	County	Tennessee
Land area in square miles, 2010	582.60	41,234.90
Persons per square mile, 2010	314.4	153,9
FIPS Code	187	47
Metropolitan or Micropolitan Statistical Area	Nashville- Davidson Murfreesboro Franklin, TN Metro	

^{1:} Includes data not distributed by county.

- (a) Includes persons reporting only one race.(b) Hispanics may be of any race, so also are included in applicable race categories.
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Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits Last Revised: Thursday, 05-Jun-2013 12:14:53 EDT

Attachment C – Economic Feasibility 1 – Appraisal Letter and Architect Letter

2013 JUL 12 PM 2 19

RealtyCorp

Jim Parks, CCIM, CPM

219 West Seventh Street P.O. Box 1732 Columbia, TN 38402-1732

Phone: 931.388.9100 Cell: 931.619.9100

Fax: 931.388.0154 e-mail: jparks@ccim.net

July 3, 2013

Ms. Sarah Lodge Talley
Butler/Snow
Suite 1600
The Pinnacle at Symphony Place
150 3rd Avenue South
Nashville, TN 37201

Re: Columbia, TN

Dear Ms. Talley:

This letter is in response to your request regarding the potential fair market value of an existing 11,000 square feet of commercial space located at the Columbia Mall. Generally, this trade area has a historical trend of being the predominant retail and medical district serving a trade area of approximately 7 south central counties. In regards to the subject 11,000 square feet of existing improvements, I would feel comfortable estimating the fair market value to be in the \$880,000 range. This potential value is based on the subject property's location, size and age while also taking into consideration comparable sales of other commercial use properties within this trade area.

Please advise of any questions concerning my opinion statements indicated above or of any further assistance required.

Sincerely,

Jim Parks, CCIM

June 13, 2013

Mr. John Collier Maury Regional Medical Center 1224 Trotwood Avenue Columbia, TN 38401

RE: Maury Regional Medical Center Oncology Build Out at the Columbia Mall

Dear John:

With regards to the proposed CON for The Maury Regional Medical Center (MRMC) Oncology Build Out at Columbia Mall project, we will prepare plans for the build out in the shelled mall space designated for this work which will consist of 2 linear accelerator vaults and associated support space; a PET CT, a CT Simulator room and associated support space; a gamma vault, exam rooms and physician offices. The overall project area will be approximately 10,700 SF.

We have reviewed the Square Footage and Cost Per Square Footage Chart that has been prepared for the Certificate of Need (CON) to the State of Tennessee for the Maury Regional Medical Center Oncology Build Out at the Columbia Mall in Columbia, Tennessee. The proposed construction cost of \$2,500,000 or an average of \$232.86/SF for a 10,736 square foot project built out in existing space appears reasonable and accurate in today's construction market.

To the best of my knowledge and belief, the expanded facility will meet the Guidelines for Design and Construction of Health Care Facilities and applicable local, state and federal standards.

We have reviewed the codes proposed for the MRMC Oncology Build Out at the Columbia Mall. The following codes are adopted by the reviewing authorities:

Applicable Local codes - City of Columbia

INTERNATIONAL BUILDING CODE - Edition: 2006

INTENATIONAL ENERGY CONSERVATION CODE - Edition: 2006

INTERNATIONAL PLUMBING CODE - Edition: 2006

INTERNATIONAL MECHANICAL CODE - Edition: 2006

INTERNATIONAL FUEL GAS CODE - Edition: 2006

NATIONAL ELECTRIC CODE - Contact: Columbia Power System



To: John Collier June 13, 2013 Page: 2 of 2

NORTH CAROLINA ACCESSIBILITY CODE - Edition: 2002 with 2004 revisions

INTERNATIONAL FIRE CODE - Edition: 2006 (Code Source: International Code Council)

Applicable State Codes - State of Tennessee

2006 IBC

INTERNATIONAL BUILDING CODE

2006 IMC

INTERNATIONAL MECHANICAL CODE

2006 IFGC

INTERNATIONAL FUEL GAS CODE

2006 IPC

INTERNATIONAL PLUMBING CODE

2006 IECC

INTERNATIONAL ENERGY CONSERVATION CODE

2005 NEC

NATIONAL ELECTRIC CODE

2006 NFPA 101 LIFE SAFETY CODE

2010 ADA STANDARDS

2008 NATIONAL ELECTRIC CODE (REVIEW BY MIDDLE TENNESSEE ELECTRIC)

2010 FGI GUIDELINES

Building Classification:

Occupancy - Business Construction Type - IIB, Fully Sprinklered

If you have any further questions, please do not hesitate to contact us.

Sincerely,

HFR Design, Inc.

Ronald L. Frenks, AIA

Chairman

RLF:ef

Attachment C – Economic Feasibility – 2 – Funding Letter



July 9, 2013

Ms. Melanie Hill, Executive Director Health Services and Development Agency 500 Deaderick Street, Suite 850 Nashville, TN 37243

Re: Adequate Funding for Maury Regional Medical Center - Certificate of Need

Dear Ms. Hill,

Maury Regional Medical Center has sufficient cash reserves to fund 100% of the proposed project described in the Certificate of Need application. The estimated total cost for certificate of need purposes is \$7,742,231.

Respectfully,

Nick A. Swift

SVP/Chief Financial Officer

NAS/sf

Attachment C – Economic Feasibility -10 – Financial Information

MAURY REGIONAL MEDICAL CENTER 2 19 BALANCEISHELL 12 PR 2 19 May 31, 2013

	ASSETS	5/31/2013	4/30/2013	5/31/2012
1	CASH & INVESTMENTS	\$20,745,689	\$24,653,482	\$21,197,215
	ACCOUNTS RECEIVABLE			
2	NET PATIENT ACCOUNTS RECEIVABLE	\$25,490,594	\$27,247,666	\$25,612,180
3	ACCOUNTS RECEIVABLE OTHER	\$716,645	\$862,249	\$993,179
4	INTEREST RECEIVABLE	\$112,999	\$103,259	\$104,030
5	INTERCOMPANY RECEIVABLES	\$1,403,918	\$1,373,179	\$988,378
6	TOTAL ACCOUNTS RECEIVABLE	\$27,724,156	\$29,586,353	\$27,697,767
7	INVENTORIES	\$4,439,848	\$4,402,296	\$4,662,842
8	PREPAID EXPENSES	\$2,264,973	\$2,447,892	\$2,093,609
	PROPERTY, PLANT & EQUIP			
9	LAND, BUILDING, & EQUIPMENT	\$330,769,760	\$330,195,844	\$314,920,773
10	LESS: ACCUMULATED DEPRECIATION	\$215,853,399	\$214,630,229	\$201,161,794
11	NET PROPERTY PLANT & EQUIPMENT	\$114,916,361	\$115,565,615	\$113,758,979
	NON-CURRENT ASSETS			
12	ASSETS WHOSE USE IS LIMITED	\$34,244,081	\$34,378,745	\$34,085,006
13	NET INTANGIBLES	\$71,591	\$79,545	\$167,044
14	LONG-TERM RECEIVABLES	\$876,845	\$893,415	\$539,289
15	INVESTMENT IN AFFILIATES	\$13,792,671	\$11,262,773	\$11,458,010
16	TOTAL ASSETS	\$219,076,215	\$223,270,116	\$215,659,761

MAURY REGIONAL MEDICAL CENTER BALANCE SHEET May 31, 2013

	LIABILITIES & EQUITY	5/31/2013	4/30/2013	5/31/2012
				6
	LIABILITIES & DEFERRED CREDITS			
17	ACCOUNTS PAYABLE	\$5,104,842	\$6,580,708	\$5,602,269
18	PENSION FUND LIABILITY	\$51,182	(\$19,569)	\$60,667
19	INTERCOMPANY PAYABLES	\$570	\$1,277	\$665
20	OTHER CURRENT LIABILITIES	\$0	\$0	\$700,435
21	ACCRUED SALARIES & WAGES	\$3,345,792	\$2,543,943	\$3,053,870
22	ACCRUED PTO PAY	\$4,267,178	\$4,167,867	\$4,070,096
23	ACCRUED PAYROLL TAXES	\$185,548	\$132,480	\$140,768
24	OTHER PAYROLL DEDUCTIONS	(\$15,991)	(\$13,764)	(\$36,395)
25	ACCRUED INTEREST PAYABLE	(\$1,168)	\$280,205	(\$1,909)
26	BONDS PAYABLE - SHORT TERM	\$4,205,000	\$4,435,000	\$4,035,000
27	NOTES PAYABLE - SHORT TERM	\$849,515	\$895,921	\$81,400
28	LIABILITIES & DEFERRED CREDITS	\$17,992,468	\$19,004,068	\$17,706,866
29	LONG TERM RESERVES	\$9,912,967	\$10,689,230	\$11,494,651
30	OPERATING FUND BALANCE	\$177,150,004	\$176,820,727	\$169,869,392
31	TOTAL LIABILITIES & OPER FUND BALANCE	\$205,055,439	\$206,514,025	\$199,070,909
32	BONDS PAYABLE - LONG TERM	\$14,020,776	\$16,756,091	\$16,588,852
33	TOTAL LIABILITIES & FUND BALANCE	\$219,076,215	\$223,270,116	\$215,659,761

MAURY REGIONAL MEDICAL CENTER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FISCAL YEAR 2013

ř í	CURRENT MONTH 5/31/2013	%	BUDGET MONTH 5/31/2013	8	SAME MONTH LAST YEAR 5/31/2012	%		CURRENT YTD 5/31/2013	%	BUDGET YTD 5/31/2013	%	PRIOR YTD 5/31/2012	%
- ∨	\$3,527,483 \$19,504,120	6.06% 33.49%	\$3,529,750 \$18,686,105	6.40% 33.87%	\$3,160,791 \$18,875,203	5.51% 32.91%	I/P REVENUE - ROUTINE I/P REVENUE - ANCILLARY	\$38,287,387 \$205,589,092	5.99%	\$37,870,309 \$196,622,009	6.11%	\$32,988,611 \$192,494,353	5.56% 32.47%
ω 4 	\$23,031,603 \$35,205,610	39.55% 60.45%	\$22,215,855	40.27% 59.73%	\$22,035,994 \$35,315,763	38.42% 61.58%	TOTAL I/P REVENUE TOTAL O/P REVENUE	\$243,876,479 \$395,430,121	38.15% 61.85%	\$234,492,318 \$385,199,287	37.84% 62.16%	\$225,482,964 \$367,420,868	38.03% 61.97%
ın I	\$58,237,213	100.00%	\$55,162,460 1	100.00%	\$57,351,757 10	100.00%	TOTAL GROSS PATIENT REVENUE	\$639,306,600	100.00%	\$619,691,605	100.00%	\$592,903,833	100.00%
9 1 8 6	\$35,637,671 \$899,365 (\$32,836) \$2,360,818	61.19% 1.54% -0.06% 4.05%	\$32,577,337 \$999,117 \$238,057 \$2,205,852	59.06% 1.81% 0.43% 4.00%	\$32,940,977 \$1,359,253 \$147,000 \$2,260,439	57.44% 2.37% 0.26% 3.94%	DEDUCTIONS FROM REVENUE: CONTRACTUAL ALLOWANCES CHARITY DISCOUNTS RAC EXPENSES PROVISION FOR UNCOLLECTIBLES	\$386,828,164 \$10,714,353 \$1,751,164 \$26,737,342	60.51% 1.68% 0.27% 4.18%	\$366,155,622 \$11,229,648 \$2,675,658 \$24,792,845	59.09% 1.81% 0.43% 4.00%	\$345,039,607 \$10,450,540 \$3,883,000 \$23,731,550	58.19% 1.76% 0.65% 4.00%
6	\$38,865,019	66.74%	\$36,020,363	65.30%	\$36,707,669	64.00%	TOTAL DEDUCTIONS	\$426,031,024	66.64%	\$404,853,773	65.33%	\$383,104,697	64.61%
_ 	\$19,372,194	33.26%	\$19,142,097	34.70%	\$20,644,088	36.00%	NET PATIENT REVENUE	\$213,275,576	33.36%	\$214,837,832	34.67%	\$209,799,136	35.39%
12	\$884,732	4.57%	\$735,549	3.84%	\$752,981	3.65%	OTHER OPERATING REVENUE:	\$8,881,753	4.16%	\$8,091,039	3.77%	\$8,233,606	3.92%
5	\$20,256,927	104.57%	\$19,877,646	103.84%	\$21,397,068 1	103.65%	NET OPERATING REVENUE	\$222,157,330	104.16%	\$222,928,871	103,77%	\$218,032,742	103.92%
15 16 17	\$8,126,044 \$2,035,740 \$3,948,123	41.95% 10.51% 20.38% 0.35%	\$8,270,234 \$2,244,882 \$3,779,047	43.20% 11.73% 19.74% 0.32%	\$8,022,482 \$2,008,161 \$3,865,399	38.86% 9.73% 18.72% 0.41%	OPERATING EXPENSE SUMMARY: SALARIES & WAGES BENEFITS SUPPLIES ADVERTISING	\$89,327,369 \$23,912,027 \$43,905,397 \$549,890 \$3,378,643	41.88% 11.21% 20.59% 0.26%	\$88,696,818 \$24,128,576 \$43,653,281 \$684,345	41.29% 11.23% 20.32% 0.32%	\$87,018,686 \$22,493,337 \$42,902,392 \$536,084 \$2,747,055	41.48% 10.72% 20.45% 0.26%
19 19 20 21	\$168,441 \$1,562,343 \$169,616 \$162,835	0.87% 8.06% 0.88% 0.84%	\$294,299 \$1,400,669 \$248,361 \$94,750	7.32% 7.32% 1.30% 0.49%	\$22,341 \$1,300,205 \$200,812 \$89,849	6.30% 0.97% 0.44%	PURCHASED SERVICES REPAIRS & MAINTENANCE INSURANCE	\$15,875,698 \$2,254,358 \$691,813	7.44% 1.06% 0.32%	\$15,733,224 \$2,527,778 \$1,042,250	7.32% 1.18% 0.49%	\$15,347,701 \$2,343,457 \$789,264	7.32% 1.12% 0.38%
22 23 24 25	\$428,854 \$333,323 \$1,122,401 \$0	2.21% 1.72% 5.79% 0.00%	\$368,973 \$340,551 \$875,172 \$0	1.93% 1.78% 4.57% 0.00%	\$295,630 \$421,802 \$931,912 \$0	1.43% 2.04% 4.51% 0.00%	OTHER OPERATING EXPENSES UTILITIES PROFESSIONAL FEES MANAGEMENT FEES	\$3,892,413 \$3,716,939 \$11,399,647	1.83% 1.74% 5.35% 0.00%	\$4,475,847 \$3,903,627 \$9,907,814 \$0	2.08% 1.82% 4.61% 0.00%	\$3,707,566 \$3,884,612 \$8,804,623 \$04,623	1.7% 1.85% 4.20% 0.00%
26	\$18,126,052	93.57%	\$17,977,727	93.92%	\$17,453,470	84.54%	TOTAL OPERATING EXPENSES	\$198,904,192	93.26%	\$197,849,026	92.09%	\$190,574,776	90.84%
27	\$2,130,875	11.00%	\$1,899,919	9.93%	\$3,943,598	19.10%	NET OPERATING INCOME (LOSS)	\$23,253,137	10.90%	\$25,079,845	11.67%	\$27,457,965	13.09%
28 29 30	\$58,206 (\$3,599) (\$416,686)	0.30% -0.02% -2.15%	\$13,364 \$0 (\$208,290)	0.07% 0.00% -1.09%	\$2,254 (\$9,622) (\$291,637)	0.01% -0.05% -1.41%	NONOPERATING INCOME (EXPENSE): GENERAL CONTRIBUTIONS GAIN (LOSS) ON ASSET DISPOSAL GAIN (LOSS) ON OTHER INVESTMENTS	\$572,259 (\$16,696) (\$3,411,531)	0.27% -0.01% -1.60%	\$405,786 \$0 (\$2,291,190)	0.19% 0.00% -1.07%	\$333,199 (\$68,728) (\$3,860,195)	0.16% -0.03% -1.84%
34	(\$362,079)	-1.87%	(\$194,926)	-1.02%	(\$299,005)	-1.45% 1	TOTAL NONOPERATING INCOME (EXPENSE)	(\$2,855,969)	-1.34%	(\$1,885,404)	-0.88%	(\$3,595,724)	-1.71%
32	\$1,768,796	9.13%	\$1,704,993	8.91%	\$3,644,593	17.65%	EBIDTA	\$20,397,169	9.56%	\$23,194,441	10.80%	\$23,862,242	11.37%
33 35 35 37	\$16,591 (\$124,924) \$83,266 \$1,239,961 \$7,954	0.09% -0.64% 0.43% 6.40%	\$18,042 \$58,333 \$54,156 \$1,202,755 \$7,954	0.09% 0.30% 0.28% 6.28% 0.04%	\$14,279 \$27,405 \$76,801 \$1,262,515 \$7,954	0.07% 0.13% 0.37% 6.12% 0.04%	INTEREST INCOME INVESTMENT INCOME INTEREST EXPENSE DEPRECIATION EXPENSE AMORTIZATION EXPENSE	\$169,473 \$172,694 \$725,045 \$13,628,783 \$87,499	0.08% 0.34% 6.39% 0.04%	\$198,462 \$641,663 \$595,716 \$13,287,090 \$87,494	0.09% 0.30% 0.28% 6.18% 0.04%	\$349,227 \$572,749 \$868,167 \$13,005,899 \$87,499	0.17% 0.27% 0.41% 6.20% 0.04%
38	\$329,282	1.70%	\$516,503	2.70%	\$2,339,006	11.33%	NET MARGIN	\$6,298,008	2.95%	\$10,064,266	4.68%	\$10,822,652	5.16%

MAURY REGIONAL HOSPITAL

Audited Combined Financial Statements (and Other Information)

Years Ended June 30, 2012 and 2011



MAURY REGIONAL HOSPITAL

Audited Combined Financial Statements (and Other Information)

Years Ended June 30, 2012 and 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Maury Regional Hospital:

We have audited the accompanying combined balance sheets of Maury Regional Hospital (the Hospital), a part of the primary government of Maury County, Tennessee, as of June 30, 2012 and 2011 and the related combined statements of revenue, expenses and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal controls over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Maury Regional Hospital as of June 30, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Maury Regional Hospital has omitted a Management Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The MD&A, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical contest. Our opinion on the basic financial statements is not affected by this missing information.

In accordance with Government Auditing Standards, we have also issued our report dated October 10, 2012 on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Persting Youkly: associates de

Knoxville, Tennessee October 10, 2012

Combined Balance Sheets

	June 30,			
		2012		2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$	29,233,252	\$	15,219,864
Certificates of deposit		631,538		3,624,301
Investments		594,982		514,529
Patient accounts receivable, net of estimated allowance for doubtful accounts of approximately				
\$29,800,000 in 2012 and \$28,700,000 in 2011		33,098,787		32,677,216
Inventories		5,207,222		5,046,752
Prepaid expenses		2,497,302		3,490,160
Other receivables		1,276,556		1,118,346
TOTAL CURRENT ASSETS		72,539,639		61,691,168
ASSETS LIMITED AS TO USE		34,063,511		32,767,160
PROPERTY, PLANT AND EQUIPMENT, net		121,859,610		118,048,697
OTHER ASSETS				
Debt issue costs, net of accumulated amortization of				
\$102,839 in 2012 and \$255,765 in 2011		130,823		214,088
Other		1,083,998		1,105,390
TOTAL OTHER ASSETS		1,214,821		1,319,478
TOTAL ASSETS	\$	229,677,581	\$	213,826,503

	Jun	e 31	9,
	2012		2011
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current portion of long-term debt	\$ 4,635,143	\$	4,905,385
Accounts payable and accrued expenses	11,242,749		6,845,552
Accrued salaries and wages	5,162,984		4,107,816
Accrued compensated absences	5,003,612		4,598,316
Accrued workers' compensation	3,679,238		3,848,982
Estimated amounts due to third party payors, net	4,365,750		4,166,103
Interest payable	 63,702		111,781
TOTAL CURRENT LIABILITIES	34,153,178		28,583,935
OTHER LONG-TERM LIABILITIES, including estimated amounts due to third party payors and retirement benefits	7,932,249		7,789,688
LONG-TERM DEBT			
Bonds payable	20,525,913		24,624,668
Other long-term debt	 1,198,283		1,086,967
	21,724,196		25,711,635
Less current portion	 (4,635,143)		(4,905,385)
TOTAL LONG-TERM DEBT	17,089,053		20,806,250
COMMITMENTS AND CONTINGENCIES - Note J			
NET ASSETS			
Invested in capital assets, net of related debt	100,135,414		92,337,062
Unrestricted	70,367,687		64,309,568
TOTAL NET ASSETS	170,503,101		156,646,630
·-	229,677,581	\$	213,826,503

Combined Statements of Revenue, Expenses and Changes in Net Assets

		Year Ended June 30,			
		2012		2011	
OPERATING REVENUE					
Net patient service revenue, net of estimated		2			
provision for bad debts of approximately					
\$31,200,000 in 2012 and \$28,700,000 in 2011	\$	272,940,381	\$	265,048,059	
Other operating revenue		10,333,743		5,688,257	
TOTAL OPERATING REVENUE		283,274,124		270,736,316	
OPERATING EXPENSES					
Salaries, employee benefits and contract labor		156,099,001		148,144,914	
Supplies		50,565,033		47,438,501	
Purchased services		21,664,436		18,880,640	
Professional fees		5,858,446		7,454,792	
Repairs and maintenance	(6)	3,136,989		3,121,029	
Utilities		5,010,260		5,198,079	
Leases		3,907,424		4,230,939	
Insurance		1,338,799		1,634,243	
Other expenses		6,362,469		6,224,790	
Depreciation and amortization		16,396,008		17,463,032	
TOTAL OPERATING EXPENSES		270,338,865		259,790,959	
INCOME FROM OPERATIONS		12,935,259		10,945,357	
NONOPERATING REVENUE (EXPENSES)					
Contributions and grants		856,916		676,871	
Investment income		802,254		697,704	
Interest expense		(818,691)		(1,087,502)	
Other		(78,715)		20,665	
TOTAL NONOPERATING REVENUE, NET		761,764		307,738	
EXCESS OF REVENUE OVER EXPENSES	·	13,697,023		11,253,095	
Minority interest in losses of subsidiaries		159,448		95,921	
CHANGE IN NET ASSETS		13,856,471		11,349,016	
NET ASSETS, BEGINNING OF YEAR		156,646,630		145,297,614	
NET ASSETS, END OF YEAR	\$	170,503,101	\$	156,646,630	

Combined Statements of Cash Flows

RE 10 1		Year Ended June 30,			
		2012		2011	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from patients and insurance programs	\$	273,600,091	\$	265,230,389	
Payments to vendors for supplies and other		(92,614,271)		(96,911,134)	
Payments to and on behalf of employees		(155,547,354)		(146,965,732)	
Other receipts		9,761,405		5,238,454	
NET CASH PROVIDED BY					
OPERATING ACTIVITIES		35,199,871		26,591,977	
CASH FLOWS FROM NONCAPITAL					
FINANCIAL ACTIVITIES:					
Contributions and grants		856,916		676,871	
CASH FLOWS FROM CAPITAL AND RELATED					
FINANCING ACTIVITIES:					
Acquisition of property, plant and equipment		(20,240,995)		(14,579,937)	
Proceeds from sale of equipment		257,777		666,367	
Proceeds from issuance of long-term debt		4,983,670		266,400	
Payments on long-term debt		(8,718,259)		(4,841,566)	
Interest paid on long-term debt		(1,035,261)		(1,296,584)	
Payment of debt issue costs		(42,622)			
NET CASH USED IN CAPITAL AND				\$140.41T	
RELATED FINANCING ACTIVITIES		(24,795,690)		(19,785,320)	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income received on cash and investments		802,254		697,704	
Proceeds from maturities of certificates of deposit		4,255,839		8,611,512	
Purchase of certificates of deposit		(1,263,076)		(7,248,602)	
Purchases of investments		(8,782,141)		(21,365,773)	
Investment in joint venture				(400,000)	
Contribution from minority shareholder		334,078			
NET CASH USED IN INVESTING ACTIVITIES		(4,653,046)		(19,705,159)	
INCREASE (DECREASE) IN CASH					
AND CASH EQUIVALENTS		6,608,051		(12,221,631)	
_		U,000,001		(12,221,021)	
CASH AND CASH EQUIVALENTS,		22 625 201		21 916 922	
BEGINNING OF YEAR		22,625,201	_	34,846,832	
CASH AND CASH EQUIVALENTS,	•	40 022 050	ø	22 625 201	
END OF YEAR	2	29,233,252	Þ	22,625,201	

		Year Ended June 30,			
		2012		2011	
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED BALANCE SHEET CLASSIFICATIONS					
Cash and cash equivalents Assets limited as to use	\$	29,233,252	\$	15,219,864 7,405,337	
	\$	29,233,252	\$	22,625,201	
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Income from operations Adjustments to reconcile income from operations to net cash provided by operating activities:	\$	12,935,259	\$	10,945,357	
Depreciation and amortization Estimated provision for uncollectible accounts Changes in:		16,396,008 31,190,961		17,463,032 28,721,811	
Patient accounts receivable Inventories Prepaid expenses		(31,612,532) (160,470) 992,858		(32,593,971) 58,699 (311,150)	
Estimated amounts due to third party payors Other assets		199,647 (572,338)		(213,849) (449,803)	
Accounts payable and accrued expenses Accrued salaries and wages Accrued compensated absences		4,397,197 1,055,168 405,296		(2,475,670) (449,902) 284,972	
Accrued workers' compensation Other long-term liabilities		(169,744) 142,561		6,190 5,606,261	
TOTAL ADJUSTMENTS NET CASH PROVIDED BY OPERATING ACTIVITIES	<u> </u>	22,264,612 35,199,871	\$	15,646,620 26,591,977	

Notes to Combined Financial Statements

Years Ended June 30, 2012 and 2011

NOTE A--ORGANIZATION

Maury Regional Hospital (the Hospital) is operated and maintained by Maury County, Tennessee, under authority of and in compliance with the provisions of Chapter 125 of the Tennessee Private Acts of 1996. The federal, state, and local governments participated in the cost of constructing and equipping the Hospital under the Hill-Burton Act. For financial reporting purposes, the Hospital is considered an enterprise fund of Maury County, Tennessee (the County).

The Hospital's primary mission is to provide healthcare services to the residents of southern and middle Tennessee, including Giles, Hickman, Lawrence, Lewis, Marshall, Maury, Perry, Wayne, and Williamson counties.

The combined financial statements include the accounts of the following operating entities:

Maury Regional Medical Center (MRMC), located in Columbia, Tennessee, has been in operation since 1953 and presently has a 275-bed capacity with 20 beds designated for skilled nursing care, and also includes five medical office buildings in its service area.

Marshall Medical Center is an acute care hospital, located in Lewisburg, Tennessee, which was acquired by the Hospital in 1995 and, effective January 1, 2005, was designated a Critical Access Hospital with 25 licensed beds.

Wayne Medical Center is an acute care hospital with an 80-bed capacity located in Waynesboro, Tennessee, and has been leased by the Hospital since 1995 (see Note I).

Additionally, the combined financial statements include the following blended component units that provide healthcare services that support the Hospital's mission:

Family Health Group (FHG) is a nonprofit corporation which acquires, owns, operates, and manages physician practices in the Hospital's service area. The Hospital is the sole member of FHG.

Pulmonary and Critical Care Associates, Inc. (PCCA) was a taxable nonprofit corporation that operated a physician practice in the Hospital's service area. The Hospital was the sole member of PCCA. During 2012, PCCA was dissolved and became a division of FHG.

Maury Regional Ambulatory Care Center, Inc. (the Ambulatory Care Center) was a nonprofit corporation that provided medical care to non-emergent patients in the Hospital's service area. The Hospital was the sole member of the Ambulatory Care Center. During 2012, the Ambulatory Care Center was dissolved and became a division of FHG.

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE A--ORGANIZATION - Continued

Spring Hill Imaging Center, LLC (the Imaging Center) owns and operates an outpatient center that provides diagnostic and radiology services to patients in the Hospital's service area. The Imaging Center is owned 51% by the Hospital and a minority interest in the cumulative losses has been recognized as a receivable in the accompanying Combined Balance Sheets which represents the interests of physicians and other investors.

Maury Regional Healthcare Foundation is a not-for-profit organization formed in 2007 to coordinate the fundraising activities of the Hospital.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting: The Hospital utilizes the enterprise fund method of accounting. Revenue and expenses are recorded on the accrual basis. In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements. This Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. This Statement also supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. The Hospital adopted the provisions of this Statement during fiscal year 2011. The adoption did not have a material impact on the combined financial statements.

Recently Issued or Effective Accounting Pronouncements: In November 2010, the GASB issued Statement No. 61, The Financial Reporting Entity: Omnibus. The Statement is effective for financial statement periods beginning after June 15, 2012 and amends Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis - for State and Local Governments. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Management of the Hospital is evaluating the impact of this Statement on the combined financial statements.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement amends the net asset reporting requirements of GASB Statement No. 34 and other pronouncements by incorporating deferred outflows and inflows of resources into the definitions of the required components of the

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

residual measure and renaming that measure as net position, rather than net assets. This Statement will be effective in fiscal year 2013 for the Hospital and is not expected to materially impact the combined financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes reporting standards that reclassifying items previously reported as assets or liabilities as deferred inflows or outflows. This Statement will be effective for the Hospital in 2014 and management is currently evaluating its impact on the combined financial statements.

In August 2010, FASB issued Accounting Standard Update 2010-23, Measuring Charity Care for Disclosure, that amends Topic 954, Health Care Entities. This Update provides amendments that require cost to be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. The amendments in this Update also require disclosure of the method used to identify or determine such costs. This Update was effective for the 2012 fiscal year and was applied retrospectively to 2011. Adoption of this Update by the Hospital required additional disclosure in the combined financial statements (see Note C).

Also, in August 2010, FASB issued Accounting Standard Update 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which provides amendments that clarify that a healthcare entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. Prior to this Update, healthcare entities were permitted to net insurance recoveries against the accrual of malpractice claims or similar liabilities. This Update was adopted in 2012 by the Hospital and there was no significant impact upon adoption.

Estimates: The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents includes cash on hand, deposits in banks and investments with a maturity of three months or less when purchased, excluding any amounts whose use is limited by Board designation.

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventories: Inventories consist principally of medical and surgical supplies and are reported at the lower of cost or market, with cost determined by the average cost method.

Patient Accounts Receivable: Patient accounts receivable are reported net of both an estimated allowance for contractual adjustments and an estimated allowance for uncollectible accounts. The contractual allowance represents the difference between established billing rates and estimated reimbursement from Medicare, TennCare and other third party payor programs. The bad debt allowance is estimated based upon the age of the account, prior experience and any unusual circumstances which affect the collectibility. The Hospital's policy does not require collateral or other security for patient accounts receivable and the Hospital routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans or policies.

Investments and Assets Limited as to Use: Investments and assets limited as to use in debt and equity securities are reported at estimated fair value based on quoted market prices. Interest, dividends, and gains and losses (realized and unrealized) are included in investment income. The Board has designated certain assets as limited as to use for future capital improvements. Assets limited as to use consists of money market deposits, certificates of deposits, and investments.

Property, Plant and Equipment: Property, plant and equipment is reported at cost or fair value at date of gift, if donated. The Hospital has established a capitalization threshold of \$1,000. Depreciation is calculated by the straight-line method to allocate the cost of the assets (other than land) over their estimated useful lives which ranges from 3 to 20 years for equipment and 10 to 40 years for buildings and land improvements. Equipment held under capital lease obligations is amortized using the straight-line method over the shorter of the estimated useful life or the lease term. This amortization is included with depreciation expense and as part of accumulated depreciation in the combined financial statements. Interest costs incurred on applicable borrowings outstanding during the construction period of capital assets is capitalized as part of the cost of acquiring the asset and is amortized on the same basis as the related capital asset. Costs of maintenance and repairs are charged to expense when incurred. The Hospital periodically reviews property, plant, and equipment for indications of potential impairment. Management does not believe any impairment exists as of June 30, 2012.

Debt Issue Costs: Debt issue costs are capitalized and amortized using the straight-line method over the life of the related obligation.

Compensated Absences: The Hospital's employees earn paid time off at varying rates depending on years of service. An accrual for paid time off is recorded in the period in which the employee earns the right to the compensation. Employees also earn sick leave benefits based on varying rates

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

depending on years of service and may accumulate sick leave up to a specified maximum. Employees are not paid for accumulated sick leave if they leave before retirement. However, employees who retire after the age of sixty may convert accumulated sick leave to termination payments. The estimated amount of sick leave which will ultimately be payable as termination payments is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in this estimate, it is at least reasonably possible that management's estimate could change in 2013.

Net Assets: Net assets invested in capital assets, net of related debt consist of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets, net of related debt.

Net Patient Service Revenue: Net patient service revenue is reported as services are rendered at estimated net realizable amounts, including estimated retroactive revenue adjustments under reimbursement agreements with third party payors. Estimated settlements under third party reimbursement agreements are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. An estimated provision for bad debts is included in net patient service revenue.

Charity Care: The Hospital provides care without charge to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Operating Activities: The Hospital defines operating activities as reported on the Combined Statements of Revenue, Expenses and Changes in Net Assets as those that generally result from exchange transactions, such as payments for providing services and payments for goods and services received. Non-exchange transactions, including contributions and grants, as well as interest income and interest expense, are considered non-operating revenue and expenses.

Contributions and Grants: Revenues from contributions and grants are recognized when all eligibility requirements are met. Contributions and grants may be restricted for specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions, if any, are reported after nonoperating revenue and expenses.

Income Taxes: The Hospital meets the Internal Revenue Service definition of a governmental unit and is exempt from federal income taxes. Certain combined entities are taxable for federal purposes and account for income taxes in accordance with FASB ASC 740, Income Taxes. Due to current

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

year and prior year operating losses, no tax expense or benefit has been recognized in the accompanying combined financial statements.

Subsequent Events: The Hospital evaluated all events or transactions that occurred after June 30, 2012 through October 10, 2012, the date the combined financial statements were available to be issued. Management did not note any subsequent events that required recognition or disclosure in the combined financial statements at June 30, 2012.

NOTE C--PATIENT SERVICE REVENUE AND ACCOUNTS RECEIVABLE

The Hospital has agreements with various third party payors that provide for payments to the Hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third party payors is recorded as a reduction of gross patient service charges. Revenue for patient service charges have been adjusted to the amounts estimated to be receivable under third party payor arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonably possible that management's estimates will change in 2013. Net patient service revenue for the years ended June 30, 2012 and 2011 increased (decreased) by approximately (\$600,000) and \$900,000, respectively, due to adjustments of estimates or final settlements of prior periods.

A summary of the payment arrangements with significant third party payors follows:

Medicare: Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid primarily on a prospective basis. These rates vary according to a patient classification system that is based on clinical diagnosis, procedures utilized and other factors. The Medicare program continues to reimburse certain other services based on a per diem or on a percentage of cost up to predetermined limits. The Hospital also receives additional payments from the Medicare program for providing services to a disproportionate share of Medicaid (TennCare) and other low income patients. Approximately \$11,600,000 and \$9,300,000 of net patient accounts receivable are due from the Medicare program at June 30, 2012 and 2011, respectively.

TennCare: The State of Tennessee's Medicaid waiver program (TennCare) provides coverage through several managed care organizations. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per diem amounts. Approximately \$2,900,000 and \$2,500,000 of net patient accounts receivable are from payors under the TennCare program at June 30, 2012 and 2011, respectively.

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE C--PATIENT SERVICE REVENUE AND ACCOUNTS RECEIVABLE - Continued

During 2012 and 2011, the Hospital received additional distributions under the TennCare Essential Access, federal matching and other programs totaling approximately \$1,080,000 and \$2,140,000, respectively. Future distributions under these programs are not guaranteed. During 2012, the Hospital received and recognized approximately \$2,600,000 from Medicare and \$760,000 from TennCare related to the implementation and meaningful use of electronic medical records as provided by the Health Information Technology for Economics and Clinical Health (HITECH) Act. These amounts are subject to audit and adjustment. Any future payments under this program are expected to be at a lessor amount.

Other Payors: The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates, discounts from established charges, and prospectively determined per diem amounts.

Charity Care: The Hospital provides care without charge to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue. The estimated direct and indirect cost of providing these services totaled approximately \$4,230,000 and \$4,260,000 in 2012 and 2011, respectively. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated under a reasonable and systematic approach.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue is as follows:

	Year Ended June 30			
		2012		2011
Patient service charges	\$	753,344,422	\$	695,178,988
Estimated contractual adjustments		(436,460,994)		(388,577,494)
Estimated provision for bad debts		(31,190,961)		(28,721,811)
Charity care		(12,752,086)		(12,831,624)
	\$	272,940,381	\$	265,048,059

NOTE D--CASH, CASH EQUIVALENTS, CERTIFICATES OF DEPOSIT, INVESTMENTS AND ASSETS LIMITED AS TO USE

The carrying amount of deposits and investments included in the Hospital's Combined Balance Sheets is as follows:

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE D--CASH, CASH EQUIVALENTS, CERTIFICATES OF DEPOSIT, INVESTMENTS AND ASSETS LIMITED AS TO USE - Continued

	-	2012	2011
Bank deposits Investments	\$	35,842,426 28,680,857	\$ 27,805,376 24,320,478
	\$	64,523,283	\$ 52,125,854

These amounts are included in the combined financial statements as follows:

	-	2012	2011
Cash and cash equivalents	\$	29,233,252	\$ 15,219,864
Certificates of deposit		631,538	3,624,301
Investments		594,982	514,529
Assets limited as to use	/	34,063,511	32,767,160
	\$	64,523,283	\$ 52,125,854

The Hospital holds deposits only in banks participating in the State of Tennessee Collateral Pool, and in banks that provide collateral for all deposits or banks that are members of the Federal Deposit Insurance Corporation (FDIC). Certificates of deposit in excess of the FDIC insurance limit must be issued by a bank that is a member of the Certificate of Deposit Account Registry Service.

Additionally, the Hospital's deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

At June 30, 2012, the Hospital's bank balances for deposits totaled \$38,778,457, a majority of which was insured by the FDIC or by the bank's participation in the State of Tennessee's collateral pool. Deposits totaling \$6,982,467 are collateralized by securities held by the financial institution and pledged as collateral for the Hospital's deposits.

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE D--CASH, CASH EQUIVALENTS, CERTIFICATES OF DEPOSIT, INVESTMENTS AND ASSETS LIMITED AS TO USE - Continued

The estimated fair values and maturities for investments, all of which were held in the Hospital's name by a custodial bank that is an agent of the Hospital, are as follows:

	Carrying	In	vestment Ma	turi	ties in Years		
Investment Type	Amount	Less than 1			1-5		N/A
June 30, 2012							
Mutual funds - fixed income	\$ 4,499,441	\$	4,499,441	\$	-	\$	100
Mutual funds - equity	371,572		_		Ä		371,572
Government agency bonds	18,129,575		-		18,129,575		
Corporate bonds	 5,680,269		504,950		5,175,319		
	\$ 28,680,857	\$	5,004,391	\$	23,304,894	\$	371,572
June 30, 2011							
Mutual funds - fixed income	\$ 3,455,070	\$	3,455,070	\$	-	\$	-
Mutual funds - equity	281,998		_		-		281,998
Government agency bonds	18,572,390		p=		18,572,390		-
Corporate bonds	2,011,020		-		2,011,020	_	
-	\$ 24,320,478	\$	3,455,070	\$	20,583,410	\$	281,998

Interest Rate Risk: As a means to limiting its exposure to fair value losses by rising interest rates, the Hospital's investment policy limits investment in U.S. treasury securities, government agency bonds or notes, corporate bonds, and municipal bonds to those with maturities of less than five years.

Credit Risk: The Hospital's investment policy restricts investments in corporate bonds and municipal bonds to those with a credit rating of at least AA. Mutual fund's underlying investments must meet the same credit ratings as other investments. At June 30, 2012, all the Hospital's investments in corporate bonds were rated at least AA by Standard and Poor's.

Concentration of Credit Risk: The Hospital's investment policy limits investments in corporate bonds to 50% of total investments with no security issuer exceeding 5% of total investments and municipal bonds to 25% of total investments with no security issuer exceeding 5% of total investments. There is no limit on investments in U.S. treasury securities, government agency bonds or notes. Mutual funds containing corporate bonds should not exceed 50% of total investments and a single mutual fund should not exceed 25% of total investments.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will be able to recover the value of its investment or collateral. All investments are in the Hospital's name at a custodial bank.

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE E--PROPERTY, PLANT AND EQUIPMENT

A summary of changes in property, plant and equipment and related accumulated depreciation for the years ended June 30, 2012 and 2011 is as follows:

	7	Balance		Additions/	7	Retirements	y.	Balance une 30, 2012
		uly 1, 2011	-	Transfers		Leurements	31	ine 50, 2012
Capital assets being depreciated	di	<i>E EEC</i> 104	ф		di		\$	5,556,184
Land improvements	\$	5,556,184 167,858,578	\$	4,272,457	\$	-	Ф	172,131,035
Buildings Equipment		140,564,575		11,998,756		(3,448,175)		149,115,156
Total capital assets being depreciated		313,979,337	_	16,271,213		(3,448,175)		326,802,375
•	-	313,373,331	-	10,271,213	_	(3,440,175)	_	320,002,370
Less accumulated depreciation for:		0.515.600		101 105				2 006 704
Land improvements		3,715,609		191,185 7,297,984		-		3,906,794 93,795,675
Buildings		86,497,691 114,883,686		8,658,404		(3,165,666)		120,376,424
Equipment							_	
Total accumulated depreciation		205,096,986		16,147,573	_	(3,165,666)	_	218,078,893
Total capital assets being depreciated, net	t	108,882,351		123,640		(282,509)		108,723,482
Capital assets not being depreciated								
Land		6,265,880		1,564,483				7,830,363
Construction in progress		2,900,466	_	2,405,299		- 1	_	5,305,765
Total capital assets not being depreciated		9,166,346		3,969,782	_	-		13,136,128
Total capital assets, net	\$	118,048,697	\$	4,093,422	\$	(282,509)	\$	121,859,610
		Balance	_	Additions/				Balance
		Balance uly 1, 2010	_	Additions/ Transfers	R	etirements	Ju	Balance ine 30, 2011
Capital assets being depreciated		uly 1, 2010	_	Transfers		etirements		ine 30, 2011
Land improvements		5,424,616	_	<i>Transfers</i> 131,568	<i>R</i>	_	<i>Ju</i>	5,556,184
Land improvements Buildings	\$	5,424,616 166,452,249		131,568 1,423,641		(17,312)		5,556,184 167,858,578
Land improvements Buildings Equipment	<i>Ju</i>	5,424,616 166,452,249 134,045,305		131,568 1,423,641 10,060,135		(17,312) (3,540,865)		5,556,184 167,858,578 140,564,575
Land improvements Buildings	<i>Ju</i>	5,424,616 166,452,249		131,568 1,423,641		(17,312)		5,556,184 167,858,578
Land improvements Buildings Equipment Total capital assets being depreciated	<i>Ju</i>	5,424,616 166,452,249 134,045,305		131,568 1,423,641 10,060,135		(17,312) (3,540,865)		5,556,184 167,858,578 140,564,575
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for:	<i>Ju</i>	5,424,616 166,452,249 134,045,305 305,922,170		131,568 1,423,641 10,060,135		(17,312) (3,540,865)		5,556,184 167,858,578 140,564,575
Land improvements Buildings Equipment Total capital assets being depreciated	<i>Ju</i>	5,424,616 166,452,249 134,045,305		131,568 1,423,641 10,060,135 11,615,344		(17,312) (3,540,865)		5,556,184 167,858,578 140,564,575 313,979,337
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements	<i>Ji</i>	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538		131,568 1,423,641 10,060,135 11,615,344 176,071		(17,312) (3,540,865)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements Buildings	\$	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538 79,331,452		131,568 1,423,641 10,060,135 11,615,344 176,071 7,166,239		(17,312) (3,540,865) (3,558,177)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609 86,497,691
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements Buildings Equipment Total accumulated depreciation	\$	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538 79,331,452 108,053,533		131,568 1,423,641 10,060,135 11,615,344 176,071 7,166,239 9,864,265		(17,312) (3,540,865) (3,558,177) - (3,034,112)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609 86,497,691 114,883,686
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements Buildings Equipment Total accumulated depreciation Total capital assets being depreciated, net	\$	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538 79,331,452 108,053,533 190,924,523		131,568 1,423,641 10,060,135 11,615,344 176,071 7,166,239 9,864,265 17,206,575		(17,312) (3,540,865) (3,558,177) - (3,034,112) (3,034,112)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609 86,497,691 114,883,686 205,096,986
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements Buildings Equipment Total accumulated depreciation	\$	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538 79,331,452 108,053,533 190,924,523 114,997,647		131,568 1,423,641 10,060,135 11,615,344 176,071 7,166,239 9,864,265 17,206,575 (5,591,231)		(17,312) (3,540,865) (3,558,177) - (3,034,112) (3,034,112)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609 86,497,691 114,883,686 205,096,986
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements Buildings Equipment Total accumulated depreciation Total capital assets being depreciated, net Capital assets not being depreciated Land	\$	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538 79,331,452 108,053,533 190,924,523		131,568 1,423,641 10,060,135 11,615,344 176,071 7,166,239 9,864,265 17,206,575 (5,591,231) 1,167,502		(17,312) (3,540,865) (3,558,177) - (3,034,112) (3,034,112)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609 86,497,691 114,883,686 205,096,986 108,882,351
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements Buildings Equipment Total accumulated depreciation Total capital assets being depreciated, net Capital assets not being depreciated Land Construction in progress	\$	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538 79,331,452 108,053,533 190,924,523 114,997,647 5,098,378 1,103,375		131,568 1,423,641 10,060,135 11,615,344 176,071 7,166,239 9,864,265 17,206,575 (5,591,231) 1,167,502 1,797,091		(17,312) (3,540,865) (3,558,177) - (3,034,112) (3,034,112)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609 86,497,691 114,883,686 205,096,986 108,882,351 6,265,880
Land improvements Buildings Equipment Total capital assets being depreciated Less accumulated depreciation for: Land improvements Buildings Equipment Total accumulated depreciation Total capital assets being depreciated, net Capital assets not being depreciated Land	\$ \$::	5,424,616 166,452,249 134,045,305 305,922,170 3,539,538 79,331,452 108,053,533 190,924,523 114,997,647 5,098,378		131,568 1,423,641 10,060,135 11,615,344 176,071 7,166,239 9,864,265 17,206,575 (5,591,231) 1,167,502	\$	(17,312) (3,540,865) (3,558,177) - (3,034,112) (3,034,112)	\$	5,556,184 167,858,578 140,564,575 313,979,337 3,715,609 86,497,691 114,883,686 205,096,986 108,882,351 6,265,880 2,900,466

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE E--PROPERTY, PLANT AND EQUIPMENT - Continued

During 2012 and 2011, the Hospital capitalized interest expense on construction projects totaling approximately \$197,000 and \$78,000, respectively. Construction in progress at June 30, 2012 consists primarily of facility renovations and the total estimated costs required to complete construction in progress is approximately \$1,300,000.

NOTE F--LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

		2012		2011
Bonds Payable:				
Series 2012B, Maury County General Obligation Bond issued on behalf of the Hospital, with interest rates				
from 1.50% to 2.00%, maturing over a 8-year period, with the final payment due April 1, 2020.	\$	4,605,000	\$	<u></u>
Series 2006B, Maury County General Obligation Bond issued on behalf of the Hospital, with an interest of 4.00%, maturing over a 7-year period, with the final payment due June 1, 2014.	\$	2,570,000	\$	3,775,000
Series 2006, Maury County General Obligation Bonds issued on behalf of the Hospital, with interest rates from 4.125% to 5.00%, maturing over a 15-year period, with the final payment due June 1, 2021.	Ψ	12,680,000	*	14,100,000
Series 2005, Maury County General Obligation Bonds rate of 3.50%, with final payment due June 30, 2013.		280,000		2,845,000
Series 2004B, Maury County General Obligation Refunding Bonds issued on behalf of the Hospital; all outstanding principal redeemed during 2012.				3,225,000
Total bonds payable		20,135,000		23,945,000
Unamortized gain (loss) on refunding		107,391		(106,203)
Unamortized premiums		283,522		785,871
Total bonds payable, net of unamortized gain (loss) and premiums		20,525,913		24,624,668

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE F--LONG-TERM DEBT - Continued

<u> </u>	 2012	 2011
Other Long-term Debt:		
Notes payable with interest rates ranging from 0% to		
6.29% maturing through January, 2014 and secured by equipment and property with a net book value of		
\$1,027,441 at June 30, 2012	407,650	45,573
Line of credit with interest rate of 5.25%		
due in 2015, maximum available of \$775,000	703,318	710,243
Capital lease obligations - see Note H	87,315	331,151
Total other long-term debt	1,198,283	1,086,967
	21,724,196	25,711,635
Less: current portion	 4,635,143	4,905,385
	\$ 17,089,053	\$ 20,806,250

The Hospital's bonds payable are general obligation bonds of Maury County, Tennessee. The bonds were issued for the purpose of acquiring property and equipment or for the retirement of previously outstanding bonds and notes and are secured by unlimited ad valorem taxes on all taxable property within the County.

In May 2012, Maury County issued the Series 2012B General Obligation Refunding Bonds in the amount of \$4,605,000. The 2012B Bonds were dated May 23, 2012 and were issued to advance refund all of the outstanding Series 2004B Bonds and the portion of the Series 2005 Bonds maturing June 1, 2014 through June 1, 2020. The 2012B Bonds bear interest at rates ranging from 1.5% to 2.0% and have annual maturities ranging from \$315,000 to \$1,475,000. Interest on the 2012B Bonds is payable semiannually on April 1 and October 1 of each year. The 2012B Bonds are not subject to redemption prior to maturity. The Hospital's advanced refunding resulted in a gain of \$107,391 that has been deferred and reported as a component of bonds payable. The deferred gain will be recognized in operations in future years using the straight-line method.

The Series 2006 Bonds maturing on or after June 1, 2017 are subject to redemption prior to maturity at the option of the County on June 1, 2016 or thereafter, at a redemption price of par plus accrued interest.

The Hospital's scheduled principal maturities on all long-term debt as of June 30, 2012 (including the capital lease obligations and excluding unamortized premiums and gain on refunding) follows:

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE F--LONG-TERM DEBT - Continued

Year Ending June 30		Principal	Interest
2013	\$	4,635,143	\$ 796,294
2014		4,199,822	670,371
2015		2,438,318	517,187
2016		1,735,000	402,963
2017		1,740,000	325,663
2017-2021	V	6,585,000	640,157
	\$	21,333,283	\$ 3,352,635

A schedule of changes in long-term debt for the years ended June 30, 2012 and 2011 is as follows:

		Balance Tuly 1, 2011	1dditions/ nortization	Payments/ Maturities	Jı	Balance ine 30, 2012		nounts Due Within One Year
Bonds payable Unamortized gain (loss)	\$	23,945,000	\$ 4,605,000	\$ (8,415,000)	\$	20,135,000	\$	4,135,000
on refunding		(106,203)	147,218	66,376		107,391		1-1
Unamortized premiums		785,871	(108,213)	(394,136)		283,522		-
Other long-term debt	19	1,086,967	414,575	(303,259)		1,198,283	_	500,143
	\$	25,711,635	\$ 5,058,580	\$ (9,046,019)	\$	21,724,196	\$	4,635,143

	J	Balance uly 1, 2010	 dditions/ ortization	Payments/ Maturities	Jı	Balance ine 30, 2011	mounts Due Within One Year
Bonds payable Unamortized loss on refunding	\$	27,790,000 (146,030)	\$ 39,827	\$ (3,845,000)	\$	23,945,000 (106,203)	\$ 3,910,000
Unamortized premiums Other long-term debt		992,728 1,817,133	(206,857) 266,400	(996,566)		785,871 1,086,967	995,385
	\$	30,453,831	\$ 99,370	\$ (4,841,566)	\$	25,711,635	\$ 4,905,385

NOTE G--EMPLOYEE BENEFIT PLANS

Defined Benefit Plan: Prior to May 1, 1997, all employees of the Hospital were eligible to participate in the Maury Regional Hospital Retirement Plan (the Plan), a single-employer public retirement system (PERS), accounted for as a separate entity from the Hospital. The purpose of the Plan is to provide retirement, death, and certain other benefits to employees as specified in the Plan.

The actuarial method generally employed to determine contributions to the Plan is the entry age normal actuarial cost method. Although it has not expressed any intention to do so, the Hospital has

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE G--EMPLOYEE BENEFIT PLANS - Continued

the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

The Plan was amended effective May 1, 1997 to stop accrual of benefit service on April 30, 1997 for participants who made an irrevocable election to participate in the Maury Regional Healthcare System 403(b) Plan on May 1, 1997. As of May 1, 2012, 113 participants are earning future service accruals. Employees hired after May 1, 1997, are not eligible to participate in the Plan.

Defined Benefit Plan Funding Policy: Voluntary contributions may not be made by participants. The Hospital's contributions are based on an actuarially determined rate. The Hospital's annual pension cost for 2012 was \$728,000. The Hospital's net pension obligation to the Plan for 2012 and 2011 was zero. The annual required contribution for the current year was determined as part of the May 1, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions used included the following:

- 8.00% investment rate of return
- projected salary increases ranging from 4.0% to 7.5% per year
- amortization method level dollar amount

Three-Year Trend Information

Fiscal Year	Annual Required Contribution	Percentage Contributed	Pension Obligation
April 30, 2010	785,010	100.00%	
April 30, 2011	752,987	100.00%	#
April 30, 2012	728,000	100.00%	741.

A schedule of funding progress for the Plan follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c
May 1, 2010*	39,793,024	43,271,426	3,478,402	92.0%	5,423,206	64.1%
May 1, 2011*	40,609,452	43,936,214	3,326,762	92.4%	5,061,006	65.7%
May 1, 2012*	41,072,361	45,825,802	4,753,441	89.6%	5,236,422	90.8%

^{*}Entry age normal actuarial method utilized for determining the unfunded actuarial liability.

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE G--EMPLOYEE BENEFIT PLANS - Continued

The unfunded actuarial accrued liability is being amortized as a level percentage of covered payroll over 30 years beginning in fiscal 2009.

Defined Contribution Plan: Effective May 1, 1997, the Hospital implemented a defined contribution plan which includes a 403(b) feature and an employer matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed Internal Revenue Service limits. The Hospital's contribution consists of a base contribution of 3% of annual covered compensation and a matching contribution equal to 50% of the employees' first 5% of annual compensation contributed. The Hospital's total contributions for the years ended June 30, 2012 and 2011 amounted to approximately \$4,270,000 and \$3,930,000, respectively.

NOTE H-LEASES

Capital Leases: The Hospital leases medical equipment under various capital lease agreements with interest rates ranging from 7.03% to 15.7%. A summary of the leased equipment, which is included in property, plant and equipment, at June 30 is as follows:

	2012	2011
Equipment acquired under capital leases Less accumulated amortization	\$ 290,975 \$ (196,496)	2,169,151 (1,851,470)
	\$ 94,479 \$	317,681

The following is a schedule of the future minimum lease payments required under capital leases as of June 30, 2012:

Year Ending June 30,	
2013	\$ 83,779
2014	9,899
Total minimum lease payments	93,678
Amount representing interest	 (6,363)
Present value of minimum lease payments	\$ 87,315

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE H--LEASES - Continued

Operating Leases: The Hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately \$3,910,000 and \$4,230,000 for the years ended June 30, 2012 and 2011, respectively. Future minimum lease commitments for all significant non-cancelable operating leases are as follows:

\$	2,469,210
	1,358,984
	1,231,141
	690,487
App. Section	65,295
\$	5,815,117
	-

Leases with Physicians: The Hospital leases office space in its medical office buildings to physicians under non-cancelable operating leases with varying terms. Rental income under these lease agreements totaled approximately \$1,210,000 and \$1,090,000 for the years ended June 30, 2012 and 2011, respectively. Future minimum lease commitments to the Hospital for all significant non-cancelable operating leases are as follows:

Year Ending June 30,	
2013	\$ 879,948
2014	320,719
2015	1,764
	 1,202,431

NOTE I--LEASED HEALTHCARE FACILITIES

Effective July 1, 2005, the Hospital entered into the first of two 5-year renewal options provided under a lease arrangement with the Board of Trustees of Wayne County General Hospital for the operation of several Wayne County healthcare facilities, including the county hospital, nursing home, ambulance service and medical office buildings. The lease also extends to all equipment, improvements, fixtures and related personal property. The annual lease expense under the first renewal consisted of a base rent of \$175,000 and an annual capital improvement commitment of \$175,000. Effective July 1, 2010, the lease was amended to exclude the operations of the nursing

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE I--LEASED HEALTHCARE FACILITIES - Continued

home. The annual lease expense, as amended, is \$150,000 for the first year only and an annual capital improvement commitment of \$200,000. The amended lease provides for two five-year renewal options which occur automatically unless the Hospital provides notice of its intent to terminate the lease at least 180 days in advance.

NOTE J--COMMITMENTS AND CONTINGENCIES

General Liability Claims: The Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Hospital maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant losses to the Hospital.

Malpractice Liability Claims: The Hospital is subject to claims and suits arising in the ordinary course of business from services provided to patients. Losses against the Hospital are limited by the Tennessee Governmental Tort Liability Act to \$300,000 for injury or death per person and \$700,000 per occurrence. However, claims against healthcare practitioners are not subject to these limits. The Hospital maintains professional liability insurance on a claims made basis with limits of \$1,000,000 per occurrence with a retention of \$250,000 per claim and a \$3,000,000 annual aggregate with a \$750,000 annual aggregate retention. The Hospital has estimated and recorded a liability for reported claims totaling approximately \$640,000 and \$950,000 at June 30, 2012 and 2011, respectively. In management's opinion, the Hospital is currently not a party to any proceeding, the ultimate resolution of which will have a material adverse effect on the Hospital's results of operations or financial condition. The Hospital has not estimated any liability for incurred but not reported claims.

Workers' Compensation Claims: The Hospital is covered for workers' compensation claims through an insurance policy with a deductible of \$500,000 per claim. Management has recorded an accrual for the estimated liability related to claims reported as of June 30, 2012 and 2011. The Hospital has not estimated any liability for incurred but not reported claims.

Healthcare Benefits: The Hospital maintains a partially self-insured healthcare plan to provide reimbursement for covered expenses incurred as a result of illness or injury to covered employees and dependents. Stop-loss insurance is purchased for annual claims per individual exceeding \$250,000 in both 2012 and 2011 with a life-time maximum per individual totaling \$750,000. The Hospital has estimated and recorded a liability for healthcare claims incurred but not yet reported totaling approximately \$1,600,000 at both June 30, 2012 and 2011. Employees that retire after attaining age sixty and completing twenty years of service will receive continued coverage under the Hospital's health benefit program until they attain age sixty-five or become eligible for Medicare benefits. The estimated amount of retirement health benefits payable totaled approximately

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE J--COMMITMENTS AND CONTINGENCIES - Continued

\$250,000 and \$270,000 at June 30, 2012 and 2011, respectively, and is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in the estimate, it is at least reasonably possible that management's estimate could change in 2013.

Healthcare Industry: The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse and under the provisions of the Health Insurance Portability and Accountability Act of 1996, patient records privacy and security. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers, such as the Medicare Recovery Audit Contractor Program. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Management believes that any amounts payable related to audits through the Medicare Recovery Audit Contractor program, or similar initiatives, have been estimated and recorded as Other Long-term Liabilities in the combined financial statements and therefore, any additional impact on the combined financial statements will not be significant. However, due to the uncertainties involved, management's estimate could change in the near future.

Healthcare Reform: In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. The legislation, among other matters, is designed to expand access to health care coverage to substantially all citizens by 2019 through a combination of public program expansion and private industry health insurance. Changes to existing TennCare coverage and payments are also expected to occur as a result of this legislation. Implementing regulations are generally required as a result of such legislation over a period of several years. Accordingly, the impact of any future regulations is not determinable.

NOTE K--FAIR VALUE OF FINANCIAL INSTRUMENTS

Management believes that carrying value approximates fair value for the majority of the Hospital's financial assets and liabilities. The estimated fair value of bonds payable, which are general obligation bonds of Maury County, is \$20,566,553 and \$24,510,471 at June 30, 2012 and 2011, respectively.

Notes to Combined Financial Statements - Continued

Years Ended June 30, 2012 and 2011

NOTE K--FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Generally accepted accounting principles establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Hospital's investments are reported at fair value on a recurring basis based on Level 1 inputs at June 30, 2012 and 2011.

Other Information



PERSHING YOAKLEY & ASSOCIATES, P.C. One Cherokee Mills, 2220 Sutherland Avenue Knoxville, TN 37919

p: (865) 673-0844 | f: (865) 673-0173 www.pyapc.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of Maury Regional Hospital:

We have audited the combined financial statements of Maury Regional Hospital (the Hospital) as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated October 10, 2012. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Hospital's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's combined financial statements are free of material misstatement we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, management and the Comptroller of the Treasury, Department of Audit of the State of Tennessee, and is not intended to be and should not be used by anyone other than these specified parties.

Penling Youkly: amonds Pc

Knoxville, Tennessee October 10, 2012

Attachment C – Contribution to Orderly Development 7(c) – License

Board for Licensing Health Care Facilities

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DEPARTMENT OF HEALTH

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	MAURY COUNTY WITH INTERPRETATION OF COMMENT WITH WITH INTERPRETATION OF COMMENT WITH WITH INTERPRETATION OF COMMENT WITH WITH WITH WITH WITH WITH WITH WIT	8
Hospital	MAURY REGIONAL HOSPITAL	
Docated at	1224 TROTWOOD AVENUE, COLUMBIA	
Country of	MAURY , Gennessee.	
Ohis	This license shall expire APRIL 16 , 2014, and is subject	4,
to the provisions	ree Code Annotated. This license shall not be as	P1- 11
and shall be su	and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the	
laws of the Sta	laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.	14
In Mitness Of	In Mitness Officeof, we have hereunto set our hand and seal of the State this 16TH day of APRIL , 2013	013
. In the Distinct	Category (ies) of: PEDIATRIC BASIC HOSPITAL	

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

MOMMISSIONER

Attachment C – Contribution to Orderly Development 7(d) – Survey and Plan of Correction



STATE OF TENNESSEE DEPARTMENT OF HEALTH

WEST TENNESSEE HEALTH CARE FACILITIES 2975 C HIGWAY 45 BYPASS JACKSON, TENNESSEE 38305 (731)984-9584



July 12, 2011

Administrator Maury Regional Hospital 1224 Trotwood Avenue Columbia, TN 38401

Dear Administrator:

On July 7, 2011, a surveyor from our office completed a revisit to verify that your facility had achieved and maintained compliance. Based on our revisit, we found that your facility had demonstrated compliance with deficiencies cited on the licensure survey completed on April 27, 2011.

If this office may be of any assistance to you, please call 731-984-9710.

Sincerely,

P. Diane Carter, RN, LNCC Public Health Nurse Consultant 2

PDC/tiw



May 11, 2011

P. Diane Carter, RN, LNCC State of Tennessee Department of Health West Tennessee Health Care Facilities 2975 C Highway 45 Bypass Jackson, Tennessee 38305-3608

Dear Ms. Carter:

Please find enclosed the Plan of Correction in response to the survey completed at our facility on April 27, 2011.

If you have any questions, please do not hesitate to contact me at 931-381-1111 extension 2264.

Sincerely,

Beth Fleming

Director of Risk Management

enclosure

Division of Health Care Facilities (X3) DATE SURVEY STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION COMPLETED AND PLAN OF CORRECTION IDENTIFICATION NUMBER: A. BUILDING B. WING 04/27/2011 TNP53174 STREET ADDRESS, CITY, STATE, ZIP CODE NAME OF PROVIDER OR SUPPLIER 1224 TROTWOOD AVE MAURY REGIONAL HOSPITAL COLUMBIA, TN 38401 PROVIDER'S PLAN OF CORRECTION SUMMARY STATEMENT OF DEFICIENCIES ID (X4) ID COMPLETE (EACH CORRECTIVE ACTION SHOULD BE (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX DATE CROSS-REFERENCED TO THE APPROPRIATE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG TAG DEFICIENCY) H 401 H 401 1200-8-1-.04 (1) Administration H 401 Correct the deficiency: (1) The hospital must have an effective Routine outpatient dialysis services were governing body legally responsible for the immediately stopped at time of surveyor conduct of the hospital. If a hospital does not communication of findings. Care for the have an organized governing body, the persons patient cited was transitioned to outpatient i legally responsible for the conduct of the hospital dialysis clinic on April 29, 2011. must carry out the functions specified in this How to prevent recurrence: chapter. All medical staff will be educated that the facility licensure is for acute This Rule is not met as evidenced by: dialysis services. This education will Based on document review, medical record be delivered via the Medical Briefs review and Interview, the Governing Body failed (physician newsletter published twice to assume responsibility for 1 of 1 contracted a month to be included in this week's dialysis services provided in the hospital. 2011). May 13, publication. Responsibility of Chief Medical The findings included: Officer. b. Admitting staff will be educated Medical record review for Pt #25 documented the regarding facility licensure for acute pt dialyzed in the hospital's acute hemodialysis dialysis (Target completion May 17, unit every Monday, Wednesday and Friday. Responsibility of Patient 2011). Access Manager. During an interview on 4/25/11 at 1:45 PM, c. All nursing staff will be educated that Dialysis Nurse #1 verified the pt dialyzed in the the facility licensure is for acute hospital's acute dialysis unit every Monday, dialysis services via Practice Points Wednesday and Friday. The Nurse stated the (nursing newsletter published monthly, patient came to the acute unit for outpatient education will be included in the May dialysis. The Nurse stated the acute dialysis unit publication. To be published by May was a contracted service of an outpatient dialysis 30, 2011). Responsibility of Service facility. Line Administrator and the Director of Nursing Practice. During an interview on 4/25/11 at 200 PM, the d. Patients in observation status will be hospital's Quality Improvement Analysist verified provided dialysis based on their the hospital contracted with an outpatient dialysis medical assessment. Complete clinic to provide acute dialysis services to the 4/29/11. hospital's patients. Responsibility of Chief Medical Officer. During an interview on 4/26/11 at 8:15 AM, the 4/29/11 Date deficiency corrected: contracted dialysis clinic's Director verified the patient dialyzed in the hospital's acute dialysis unit every Monday, Wednesday and Friday. The Continued.... Division of Health/Care Facilities TITLE Chief Executive

Officer

(X6) DATE 5/11/11

LABORATORY DIRECT

ROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:		(X2) MULTI A. BUILDIN B. WING		(X3) DATE SURVEY COMPLETED		
		TNP53174				04/27/2011		
1224 TRO				TWOOD AVE A, TN 38401				
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)			ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (X5) (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) (X5) COMPLETI DATE			
H 401	Director stated the patient had been dialyzed in the hospital's acute dialysis unit since May of 2009. Review of the contract with the hospital and the contracted outpatient dialysis facility documented the outpatient dialysis facility was contracted to provide, "acute dialysisfor patients of hospital" There was no documentation the patient had been hospitalized in order to receive acute dialysis services. 1200-8-106 (3)(a) Basic Hospital Functions (3) Infection Control.			H 630 H 630 H 630 H 630	Coding to notify VP of and Service Line Admir immediately of use of C code to monitor for pa May 11, 2011. Respons of Coding.	Quality Services nistrative Director Outpatient Dialysis attems. Start date sibility of Director		
	 (a) The hospital must provide a sanitary environment to avoid sources and transmission of infections and communicable diseases. There must be an active performance improvement program for the prevention, control, and investigation of infections and communicable diseases. This Rule is not met as evidenced by: Based on observations and interview, it was determined the facility failed to provide a sanitary environment to avoid sources and transmission of infections and communicable diseases for 1 of 6 (Floor #4) floors toured during the survey. The findings included: 				labeling of all patient appropriate patient ident time. The education during unit staff meeting and via email to all use Responsibility of Nurse Baby Unit. 2. How to prevent recurrent a. The Charge Nurse appropriate labeling stored in the refridaily Charge Completed May 11, Responsibility of Mother-Baby Unit. b. Signage developed refrigerator in the	food items with tification, date, and will be delivered as on May 11, 2011 nit staff members. Manager - Motherace: es will check for ag on food items igerator with their Nurse rounding., 2011. Nurse Manager-		
		during the initial tour y Unit on 4/25/11 beg d the following:				on, date, and time is		

Division of Health Care Facilities (X3) DATE SURVEY STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION COMPLETED AND PLAN OF CORRECTION IDENTIFICATION NUMBER: A RUILDING B. WING 04/27/2011 TNP53174 STREET ADDRESS, CITY, STATE, ZIP CODE NAME OF PROVIDER OR SUPPLIER 1224 TROTWOOD AVE MAURY REGIONAL HOSPITAL COLUMBIA, TN 38401 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X4) ID (EACH CORRECTIVE ACTION SHOULD BE COMPLETE (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX CROSS-REFERENCED TO THE APPROPRIATE DATE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG TAG DEFICIENCY H 630 H 630 Continued From page 2H630 continued placed in the refrigerator. Completed In the refrigerator in the patient nourishment room May 11, 2011. there was a clear plastic container with 4 slices of Responsibility of Nurse Manager pizza inside. The container was not labeled. Mother-Baby Unit. Date deficiency corrected: 5/11/11 In the soiled utility room there was a food service cart with clean and dirty trays inside the cart. Monitoring of compliance: Charge Nurses will monitor for compliance and further actions needed based on results 2. During an interview in the hallway of the 4th of daily rounding checklist review. Start floor near the soiled utility room on 4/25/11 at date May 11, 2011. Responsibility of 1:20 PM the Nurse Manager verified the above Nurse Manager - Mother-Baby Unit. findings. Correct the deficiency: (for food service cart with clean and dirty trays in the H1201 H1201 1200-8-1-.12 (1)(a) Patient Rights soiled utility room) It is a normal process for an extra food (1) Each patient has at least the following rights: service cart for dirty or unused trays to be kept in the Soiled Utility Room for return (a) To privacy in treatment and personal care; to Food & Nutrition. Signage will be posted on the cart stating that the cart is for unused or dirty trays. This will be This Rule is not met as evidenced by: completed Ъγ May 11, 2011. Based on facility policy review, observation and Responsibility of Nurse Manager - Motherinterview, it was determined the facility failed to Baby Unit. ensure patient privacy by monitoring patients in How to prevent recurrence: their rooms with continuous video camera Charge Nurses monitor for appropriate surveillance for 2 of 4 (Room #29 and #30) storage in the soiled utility room during patient rooms in the Emergency Department (ED) daily rounds. Completed May 11, 2011. identified as having cameras present. Responsibility of Nurse Manager - Mother-Baby Unit. The findings included: 5/11/11 Date deficiency corrected: 1. Review of the facility policy, Suicide Risk Monitoring of compliance: Assessment/Suicide Precautions in Emergency Charge Nurses will monitor for compliance Department documented, "...When suicide and further actions needed based on results precautions are implemented...The patient will be of daily rounding checklist review. Start placed in ED 29 or ED 30...The person deemed date May 11, 2011. Responsibility of responsible to observe patient will be continually Nurse Manager - Mother-Baby Unit. station at C station in direct vision of the monitor..."

2. Observations in the hallway near the nurses

Correct the deficiency:

Continued....

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:		(X2) MULTIPLE CONSTRUCTION A BUILDING		(X3) DATE SURVEY COMPLETED		
TNP53174				B. WING_		04/27/2011		
				DRESS, GITY, STATE, ZIP CODE				
				TWOOD AVE A, TN 38401				
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)			ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTIVE ACTION SHI (EACH CORRECTIVE ACTION SHI CROSS-REFERENCED TO THE APP DEFICIENCY)	OULD BE COMPLETE	n e	
H1201	Continued From page 3 station revealed the following on the surveillance monitor: On 4/25/11 at 9:35 AM the patient in Room #29 [Patient #34] with his head covered. On 4/25/11 at 9:40 AM the patient in room #30 [Random patient #1] in bed with his family at the bedside. On 4/25/11 at 11:18 AM the patient in Room #29 sitting on the floor wearing only a gown and pulling the gown over his head exposing his body from his chest down to the floor. 3. During an interview at the nurses station in the ED on 4/26/11 at 11:18 AM, the Quality Improvement Analysist verified the monitors were visible to visitors in the hallway and at the nurses station.		H1201	The video monitor will be insthe surface of the desk top, unglass. This will prevent patiand other staff members from and nurses' station. This install complete by June 1, 2011. If of the Administrative Emergency Services and Manager. 2. How to prevent recurrence: Administrative Director of Services will ensure that installations of patient equipment is completed privacy concerns addressed. 3. Date deficiency corrected: 4. Monitoring of compliance: Charge Nurses will monito privacy concerns during roune each shift. Any issues will the Nurse Manager on an of Start date May 11, 2011. Res ED Nurse Manager.	der a piece of ents, visitors, om observing the hallway lation will be desponsibility Director of ED Nurse Emergency any future monitoring with patient 6/1/11 If for patient ds conducted he reported to agoing basis,	1		



STATE OF TENNESSEE DEPARTMENT OF HEALTH WEST TENNESSEE HEALTH CARE FACILITIES 2975C HIGHWAY 45 BYPASS JACKSON, TENNESSEE 38305-3608 731-984-9684



May 3, 2011

Mr. Robert Otwell, Administrator Maury Regional Hospital 1224 Trotwood Avenue Columbia. TN 38401

RE: Fire Safety Licensure Survey

Dear Mr. Otwell:

Enclosed is the statement of deficiencies for the fire safety licensure survey completed at your facility on **April 26, 2011**. Based upon 1200-8-1, you are asked to submit an acceptable plan of correction for achieving compliance with completion dates, and signature **10 days from the date of this letter**.

Please address each deficiency separately with positive and specific statements advising this office of a plan of correction that includes acceptable time schedule, which will lead to the correction of the cited deficiencies. Enter on the right side of the State Form, opposite the deficiencies, your planned action to correct the deficiencies and the expected completion date. The completion date can be no longer than 45 days from the day of survey. Before the plan can be considered "acceptable," it must be signed and dated by the administrator

Your plan of correction must contain the following:

- > How the deficiency will be corrected;
- > How the facility will prevent the same deficiency from recurring.
- > The date the deficiency will be corrected;
- > How ongoing compliance will be monitored.

Please be advised that under the disclosure of survey information provisions, the Statement of Deficiencies will be available to the public.

If assistance is needed, please feel free to call me at 731-984-9710

Sincerely,

P. Diane Carter, RN, LNCC

Public Health Consultant Nurse 2

PDC/T.IW

Division of Health Care Facilities (X3) DATE SURVEY STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION AND PLAN OF CORRECTION COMPLETED **IDENTIFICATION NUMBER:** A. BUILDING 02 - HOHENWALL B. WING TNP53174 04/26/2011 STREET ADDRESS, CITY, STATE, ZIP CODE NAME OF PROVIDER OR SUPPLIER 1224 TROTWOOD AVE MAURY REGIONAL HOSPITAL COLUMBIA, TN 38401 PROVIDER'S PLAN OF CORRECTION SUMMARY STATEMENT OF DEFICIENCIES (X5) COMPLETE (X4) ID (EACH CORRECTIVE ACTION SHOULD BE (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PRÉFIX DATE CROSS-REFERENCED TO THE APPROPRIATE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG TAG **DEFICIENCY**) H 871: 1200-8-1-.08 (1) Building Standards H 871 (1) The hospital must be constructed, arranged, and maintained to ensure the safety of the patient. This Rule is not met as evidenced by: Based on observation it was determined the facility failed to comply with the Tennessee Department of Health Building Standards. The findings include: 1) Per WO##135958 Attachment "B" an (1) Observation of the lobby men's bathroom on exhaust Fan was order and will be 5-34 4/26/11 at 1:20 PM, revealed the exhaust fan did installed in 30 days. This will be not work. monitored with monthly checks see (2) Observation of the business office on 4/26/11 Attachment "A". at 1:35 PM, revealed a water stain ceiling tile. 2) Was corrected on 5-3-11 per WO# 5-3-1 (3) Observation of the janitor's closet by the 135963 Attachment "C" Replaced collis handicapped bath room on 4/26/11 at 1:38 am, ceiling tile and will monitor ceiling revealed no door closure installed on the door. tiles monthly per Attachment "A" These findings were acknowledged by the Per WO# 135964 Attachment "D" the Director of Maintenance at the exit conference on clousure for the Janitor's Closet was ordered and will be installed 4/26/11. within 30 days. We will monitor this H 901 1200-8-1-.09 (1) Life Safety H 901 on Attachment "A" (1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations.

ABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE SIGNATURE

TITLE

(X6) DATE

FORM APPROVED Division of Health Care Facilities STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X3) DATE SURVEY (X2) MULTIPLE CONSTRUCTION AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING 02 - HOHENWALL B. WING TNP53174 04/26/2011 STREET ADDRESS, CITY, STATE, ZIP CODE NAME OF PROVIDER OR SUPPLIER 1224 TROTWOOD AVE MAURY REGIONAL HOSPITAL COLUMBIA, TN 38401 (X4) ID SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X5) COMPLETE PRÉFIX (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX (EACH CORRECTIVE ACTION SHOULD BE TAG REGULATORY OR LSC IDENTIFYING INFORMATION) CROSS-REFERENCED TO THE APPROPRIATE DATE TAG DEFICIENCY) H 901 | Continued From page 1 H 901 1) LACC Main hall the Electrical Panel was blocked. Chair moved per WO # This Rule is not met as evidenced by: 135960 Attachment "E" E-mail to Based on observations and records review it was determined the facility failed to comply with the employees to communicate per Attachlife safety codes. ment "F" Sign was order:that|will state "Do Not Block Electrical Panels" The findings include: and will be install in 10 days. Monitoring per Attachment "A" monthly (1) Observation of the back hall on 4/26/11 at 1:25 PM. revealed the electrical panel was 2) Corrected on 5-3-11 per WO# 135961 and blocked with a bench. # 135959 Attachments "G.1" & 1G.2" and we will continue to monitor 5-(2) Observation of exam room 2 and the jungle monthly per Attachment "A" room on 4/26/11 at 1:30 PM, revealed the electrical outlets next to the sinks were not a |3) Will corrèc±⊕on 5-16-11 anchors arrive| ground fault circuit interrupters (GFCI). per WO# 135962 Attachment "H" and will monitor per Attachment "A" monthly. (3) Observation of the corridor in the business office on 4/26/11 at 1:32 PM, revealed the fire 4) Per WO# 135965 and # 135966 Attachments extinguisher was mounted at 61.5 inches instead "I.1" and "I.2" Removed on $4\frac{1}{2}$ 28-11 of the required 60 inches. and per Attachment "F" All employees notified not to Block Doors open and (4) Observation of the dining room and the this will be monitored monthly per kitchen on 4/26/11 at 2:00 PM, revealed the Attachment "A". doors were being held open with pegs. (5) Observation of the dining room on 4/26/11 at 5) The extinguisher was blocked and table 2:20 PM, revealed the fire extinguisher was was removed on 4-26-11 an the blocked with equipment communication issue to all LACC 5-12-18 employees on 5-12-11 not to Block (6) Records review on 4/26/11 at 2:30 PM, extinguisher per Attachment "F" and revealed the kitchen hood system was not will be monitored monthly per Attachcleaned every 6 months as required. ment "A". These findings were acknowledged by the 6) Per WO# 135967 Attachment "J" |we call Director of Maintenance at the exit conference on the Vendor to perform service to Mind.

4/26/11.

kitchen hood and this was completed on 4-28-11 by Columbia Fire Equipment Co.

per Attachment "K" will monitor monthly per Attachment "A".

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:

(X2) MULTIPLE CONSTRUCTION

(X3) DATE SURVEY COMPLETED

TNP53174

A. BUILDING B. WING ___ 01 - MAIN BUILDING 01

04/26/2011

NAME OF PROVIDER OR SUPPLIER

MAURY REGIONAL HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

1224 TROTWOOD AVE COLUMBIA, TN 38401

		COMBIA, IN 3040	<u> </u>
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (X5) (EACH CORRECTIVE ACTION SHOULD BE COMPLETE DATE DEFICIENCY)
H 871	1200-8-108 (1) Building Standards (1) The hospital must be constructed, arranged maintained to ensure the safety of the patient. This Rule is not met as evidenced by:	- 3	1) Per WO# 135912 Attachment L. "4=26=11 "L.1" for a. & b. and per WO# 135912 Attachment "L.2" forcc. Ceiling tiles replace on 6-13- 4-26-11 and will beamonitored monthly per Attachment "M"
	Based on observations it was determined the facility failed to comply with the Tennessee Department of Health Building Standards. The findings include:	e	2) Per WO# 135920 Attachment "N" 4-26-11 the wall was patched and painted and will be monitored monthly per Attachment "M"
	(1) Observations on 4/26/11 at 7:42 AM, revewater stained ceiling tiles located in the followareas:	ealed	3) Per WO# 135936 Attachment "O" 5-9-11 the exhaust fan was installed on 5-9-11 and will be monitored with Attachment "M"
	 a. Physical therapy treatment room. b. The 6th floor Southwest stairwell. c. The 5th floor treatment room. (2) Observation of the 5th floor West nurses station medicine room on 4/27/11 at 8:10 AM 		4) Per WO#135943 Attachment "P.1" 5-9-11 the wall was repaired in surgery on 5-9-11 and will be monitored per monthly Attachment "M"
	revealed penetrations in the walls. (3) Observation of the mop closet by room 3: 4/26/11 at 9:20 AM, revealed no exhaust fan installed in the closet. (4) Observation of the 2nd floor surgery area 4/26/11 at 10:15 AM, revealed a damage walls.	32 on 1	5) Per WO# 135941 Attachment "P.2" the strobe has been ordered from Simplex Grinnell and will be installed within 45 days and will be monitored monthly per Attachment "M"
	(5) Observation of the 2nd floor operating handicapped bathroom on 4/26/11 at 10:30 A revealed no strobe lights installed in the room		
	These findings were acknowledged by the Director of Maintenance at the exit conference 4/26/11.	ce on	**

vision of Health Care Facilities

TITLE

(X6) DATE

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:

(X2) MULTIPLE CONSTRUCTION

(X3) DATE SURVEY COMPLETED

TNP53174

01 - MAIN BUILDING 01 A. BUILDING B. WING_

04/26/2011

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

1224 TROTWOOD AVE COLUMBIA, TN 38401

MAURY	REGIONAL HOSPITAL		TWOOD AV IA, TN 3840	
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H 901	Continued From page 1 1200-8-109 (1) Life Safety (1) Any hospital which complies with the applicable building and fire safety regulations the time the board adopts new codes or regulations will, so long as such complia maintained (either with or without waiver specific provisions), be considered to be compliance with the requirements of the codes or regulations. This Rule is not met as evidenced by: Based on observations it was determined facility failed to comply with the life safet as required. The findings include: (1) Observations on 4/26/11 at 7:43 AM equipment stored within 18 inches of the sprinklers in the following areas:	ations at ance is as of a in a new and the aty codes	H 901	1) Completed by staff on WO# 135918 Attachment "P.3" for (a.btc.).and communicate to staff and will monitor monthly with Attachment "M" 2) Per WO: Numbers: a) WO# 135926 Attachment "P.4" b) WO# 135914 Attachment "P.5" 4-26-11 d) WO# 135942 Attachment "P.6" d) WO# 135945 Attachment "P.8" f) WO# 135945 Attachment "P.8" f) WO# 135949 Attachment "P.9" g) WO# 135949 Attachment "P.10" All blocked panels were corrected. Staff instructed and will monitor this monthly throughout facility. All Elect rooms per checklist inspection on Attachment "M"
	a. 6th floor physical therapy room b. 4th floor storage room by room 402 c. 1st floor rehab storage room (2) Observations on 4/26/11 at 7:45 AM, the of the electrical panels were blocked equipment in the following areas:: a, 6th floor electrical room, b. 4th floor information data room. c. 3rd floor storage rooms by rooms 356 d The operating room area. e. The open heart surgery area f. the lab storage room g. The kitchen area on 4/26/11 at 7:45 A revealed electrical panels were blocked equipment.	and 387.		5.2 5.4

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04/26/2011

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:

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A. BUILDING 01 - MAIN BUILDING 01 B. WING_

(X3) DATE SURVEY COMPLETED

TNP53174

STREET ADDRESS, CITY, STATE, ZIP CODE

NAME OF PROVIDER OR SUPPLIER

1224 TROTWOOD AVE

MAURY	REGIONAL HOSPITAL	1224 TROTWOOD COLUMBIA, TN 3	
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H 901	(3) Observations on 4/26/11 at 8:20 AM, cylinders of oxygen stored and no precausigns posted on the doors in the following a. 5th floor B station storage room and clutility room b. the 3rd floor floor soiled utility room c. The transparent room d. The radiology room by the West elevated (4) Observation of the 4th floor electrical 4/26/11 at 8:20 AM, revealed an open spetthe electrical panel. (5) Observation of the 4th floor office by red and 4/26/11 at 8:30 AM, revealed 2 postrips were connected in tandem.	ationary y areas: ean for room on ace in oom	3) All signs installed by WO's a) WO# 135929 Attachment "Q.1" 4-26-11 b) WO# 135927 Attachment "Q.2" 4-26-11 c) WO# 135937 Attachment "Q.3" 4-26-11 d) WO# 135947 Attachment "Q.4" 4-26-11 All were corrected and will be monitored on checklists monthly per Attachment "M" 4) Was repaired per WO# 135913 Attachment "Q.5" and will monitor this monthly with checklist Attachment "M" 5) Added outlet per WO# 135915 Attachment "Q.6" so each outlet strip is plugged in separately. Will monitor this monthly per Attachment "M"
	(6) Observations on 4/26/11 at 8:20 AM, it the electrical outlets located in the following were not ground fault circuit interrupters: a 4th floor medical intensive care unit b. 3rd West B wing nurses station c. 3rd West A nurses station med room d. 3rd floor control room, e. 1st floor pre-op cath lab	revealed and areas	6) Replaced Outlets to GFI's a) WO# 135916 Attachment "Q.7"4-26-11 b) WO#135928 Attachment "Q.8" 4-26-11 c) WO#135923 Attachment "Q.9" 4-26-11 d) WO#135938 Attachment "Q.10" 4-26-11 e) WO#135953 Attachment "Q.11" 4-26-11 Will monitor on monthly check list per Attachment "M"
	(7) Observation of the 4th floor nursery by clean utility room on 4/26/11 at 8:45 AM, if the exit was blocked with equipment. (8) Observation of the 3rd floor area above smoke doors by room 351 on 4/26/11 at 8 revealed a penetration in the wall. (9) Observation of the 3rd floor utility room 4/26/11 at 9:00 AM, revealed a cylinder of was not secured.	e the 3:55 AM,	7) Unblocked rear door per WO# 135919 Attachment "R.1" discuss with staff and will monitor per Attachment check list monthly Attachment "M" 8) Caulked penetrations by room 351 per WO#135925 Attachment "R.2" and will monitor smoke walls per monthly checklist on Attachment "M" (Continue on next pg)

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

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(X2) MULTIPLE CONSTRUCTION

(X3) DATE SURVEY COMPLETED

TNP53174

A. BUILDING 01 - MAIN BUILDING 01
B. WING

04/26/2011

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

MAURY REGIONAL HOSPITAL

1224 TROTWOOD AVE COLUMBIA, TN 38401

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(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	Continued From page 3 (10) Observation of the 3rd floor corridor by	H 901	9) Rëmoved O2 tank by staff and will monitor per monthly check per Attachment "M"	4-26-11 s
	330 and the 2nd floor decontamination room 4/26/11 at 9:12 AM, revealed the fire extinguishers were blocked with equipment.		O) Per WO#135940 Attachment "R.8" Rēmoved items by staff and communicated issue and will monitor this monthly per check	4-26-11
	(11) Observation of the 3rd floor corridor by 330 and the 2nd floor central supply room of 4/26/11 at 9:15 AM, 10:12 AM, revealed the stations were blocked with equipment.	n	list Attachment "8" 1) Per WO#135940 Attachment "R.8" moved cart by staff and have	4-26-11
	(12) Observation of the kitchen closet by roc 222 on 4/26/11 at 9:25 AM, revealer supplie stored within 18 inches of the sprinkler.		planned to educate staff at next staff meeting and will monitor monthly per Attachment "M"	
	(13) Observation of the 2nd floor corridor by 231 on 4/26/11 at 10:00 AM, revealed the sr detector was installed within 3 feet of the air diffuser.	moke	2) Items removed and closet clear ed per staff and will monitor this monthly per Attachment "M	
14	(14) Observation of the corridor in the opera room area on 4/26/11 at 10:20 AM, revealed fire extinguisher was hidden from view.	I the	3) Per WO#135944 Attachment "R.3" Simplex Grinnell will relocate Detector within 30 days. Will monitor this monthly per Attac	5.31211
	(15) Observation of the 2nd floor endoscopy room on 4/26/11 at 10:40 AM, revealed the cwas being held open with a peg.		ment "M" 4) Per WO#135939 Attachmenta"R.4	5-2-11
	(16) Observation of the 2nd floor equipment storage room and X-Ray room 6 on 4/26/11 11:00 AM, revealed the electrical switch plat were missing.	at	install directional sign to she extinguisher location and will monitor monthly per Attachment "M"	OW.
	(17) Observation of the 1st floor janitor's closeroom 155 on 4/26/11 at 11:40 AM, revealed light cover was missing.		5) Removed peg per WO#135946 Attachmentour. The Instructed The staff of issue and will monitor this monthly per check	4-26-11
	These findings were acknowledged by the Director of Maintenance at the exit conference 4/26/11.	ce on	list on Attachment "M"	X4

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2013 JUL 12 PM 2 19

PRINTED: 04/28/2011 FORM APPROVED

04/26/2011

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

NAME OF PROVIDER OR SUPPLIER

(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:

(X2) MULTIPLE CONSTRUCTION

A. BUILDING 01 - MAIN BUILDING 01
B. WING ____

(X3) DATE SURVEY COMPLETED

TNP53174

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		i i	8	16) Per WO# 135948 Attachment "R.5" Switch plate was installed and will monitor this monthly per Attachment "M"
	e *	**	Q	17) Per WO#135950 Attachment "R.6" 4-26- Installed tube covers on bulbs and will monitor with monthly check per Attachment "M"
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ivision of Health Care Facilities

ORIGINAL-

SUPPLEMENTAL-1

Maury Regional Medical Center

CN1307-026

VIA HAND DELIVERY

Mr. Phillip Earhart
Examiner
Tennessee Health Services and
Development Agency
Frost Building, Third Floor
161 Rosa Parks Blvd.
Nashville, TN 37243

RE: Maury Regional Medical Center - CN1307-026

Dear Mr. Earhart,

1. Section A, Applicant Profile, Item 13

Please clarify if the applicant contracts with TennCare Select.

Yes, MRMC contracts with TennCare Select.

2. Section B, Project Description, Item II.

Please provide a general description of the Columbia Mall. Is the applicant the only medical service provider currently in the Columbia Mall? If not, please list other medical providers.

The Columbia Mall is home to several retail stores including Hibbit Sports, J.C. Penny's, Goody's, Bath & Body Works, Payless Shoe Source, Claire's, RadioShack, BonWorth, & GNC. Currently MRMC operates an IV Infusion center located in the Columbia Mall which provides infusion services from hydration and antibiotic therapy to chemotherapy infusions. Also, a Medical Oncology practice operated by Family Health Group is located in the Columbia mall. The Medical Oncology practice consists of three Medical Oncologists.

3. Section B, Project Description, Item II.

Please describe the construction, modification, and/or renovation of the facility including major operation area, room configuration, etc. Please also discuss and justify the cost per square foot for this project.

The proposed Maury Regional Cancer Center construction will consist of selective demolition and renovation of an existing structure. Most of the work is anticipated to be on the interior. Demolition will include the remaining non-load bearing wall partitions from the previous retail space and concrete floor slab demolition for utility trenching. Construction includes two linear accelerator vaults and one gamma vault using normal

weight concrete. It is not anticipated that any roof work or modifications will be required except for mechanical work. The remaining build-out will be typical gypsum board/metal stud framing with new floor, wall and ceiling finishes.

The project cost is \$232.86 per square foot. The cost is reasonable compared to other similar projects. A letter from Hart, Freeland, and Roberts, documenting the reasonableness of the project cost, is attached to the application as Attachment C. Economic Feasibility. 1.

4. Section B, Project Description, Item II.A

The applicant states that shelled space for a future fixed PET/CT is included in the project cost. The projected PET scan utilization for the proposed project in 2016 is 364 scans. According to the State Health Plan, Standards and Criteria for PET scanners, the optimal efficiency for a stationary PET unit is 80 percent of total capacity, or 1,600 procedures per year. At what point in time does the applicant expect the demand to be adequate to justify purchasing an additional PET scanner for the shelled space?

It is not possible to predict with certainty when volumes will be sufficient to justify a fixed PET scanner. MRMC anticipates that, with future marketing strategies and the change in Medicare guidelines that allow for more follow-up PET procedures, the volume will support a fixed unit three to four years from now.

This project already involves shielding space for the injection rooms and hot lab for PET services. Even though the PET scanner is mobile, shielded space within the cancer center is needed for patients both before and after their scans. It is more efficient and cost-effective to build the space while construction is being done, rather than build the space as a separate project.

5. Section C. Need Item 1. (Specific Criteria - Construction, Renovation)

Please list and provide a response to each of the questions in the criteria and standards for Construction and Renovation. If the response it not applicable, please list that under the applicable question.

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

n/a. The project does not include the addition of beds, services, or medical equipment.

- 2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans, which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

The cost of the proposed relocation is \$7,742,231. MRMC did not evaluate the cost of renovation because renovation is not feasible. There is not sufficient room

on the hospital campus to create the cancer center that is proposed for the Columbia Mall site.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

Need for the project exists, as evidenced by MRMC's historical utilization. Most of the patients are expected to be patients who would otherwise receive cancer treatment on MRMC's main campus, so this project will not have an impact on other providers.

- 3. For renovation or expansions of an existing licensed health care institution:
 - a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

Need for the project exists, as evidenced by MRMC's historical utilization.

b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

There is not sufficient room on the hospital campus to create the cancer center proposed for the Columbia Mall site. Because the cancer center is in former commercial space, renovations are needed to make the space suitable for medical use.

6. Section C. Need Item 4. (Service Area Demographics)

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for your proposed service area.

The demographic data chart is attached.

7. Section C, Economic Feasibility, Item 3

Please compare the cost per square foot of construction to similar hospital projects approved by the Agency. Please refer to the applicant's toolbox located at the Health Services and Development Agency's web-site at:

http://tennessee.gov/hsda/applicants_tools/docs/Construction%20Cost%20Per%20Square%20Foot%20charts-0911.pdf

The median cost for hospital renovation projects is \$177.60 per square foot; the 3rd quartile cost is \$249 per square foot. The cost of this project, \$232.86 per square foot, is comparable to costs of other similar projects approved by the Agency.

8. Section C, Economic Feasibility, Item 4. (Historical Data and Projected Data Chart)

Line D.7 under Net Operating Revenue in the Historical Data Chart appears to be a duplicate of line D.8 Other Expenses for 2010, 2011, and 2012. Please clarify. *Line D.7 was a duplication. It is corrected on the Revised Historical Data Chart.*

Please complete revised Historical and Projected Data Charts that have fields for management fees. The revised charts are included with these supplemental questions.

Revised charts are attached.

9. Section C., Economic Feasibility, Item 5. Project's Average Gross Charge, Average Deduction from Gross Operating Revenue and Average Net Charge

Your response is noted. Please recalculate the Average Deduction from Gross Operating Revenue and Average Net Charge for PET. *The chart on page 22 of the application is correct.*

10. Section C., Economic Feasibility, Item 6 A. and 6 B.

Your response is noted. Please list questions 6 A. and 6 B. and provide a response underneath each question, respectively. Please compare the proposed gross charges per Procedure/Treatment for PET and Linear Accelerator equipment by referring to The Health Services and Development Agencies' applicant's web based toolbox web located at http://tennessee.gov/hsda/applicants_tools/docs/quartile-med%20equip-2010.pdf

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Charges will not change as a result of this project. MRMC's charges for the most common radiation therapy and PET procedures are listed below. The project is simply a relocation and will not affect patient charges.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

The project will have no impact on charges. The following charts include comparisons of gross charges to the average gross charges from the HSDA Equipment Registry and comparisons to Medicare reimbursement.

	MRMC	Equipment Registry 1st Quartile	Equipment Registry Median	Equipment Registry 3 rd Quartile
Radiation Therapy	\$995.28	\$887.60	\$1,077.79	\$1,406.21
PET	\$5,335.32	\$3,667.96	\$4,497.71	\$6,304.71

Procedure - Radiation Therapy	MRMC Charge	Medicare Reimbursement
IMRT TX Planning - 77301	\$4,162.00	\$984.49
IMRT Daily TX Delivery - 77418	\$1,646.00	\$483.70
3D Conformal TX Plan - 77295	\$3,286.00	\$984.49
Daily TX MGMT: Comp 6-10 MEV - 77413	\$571,00	\$179.52
Daily TX MGMT: Comp 11-18 MEV - 77414	\$628.00	\$179.52

Procedure - PET	MRMC Charge	Medicare Reimbursement
PET Skull-Thigh - 78812	\$4,797.00	\$1,056.12
PET Whole Body - 78813	\$4,891.00	\$1,056.12
PET CT Limited - 78814	\$5,047.00	\$1,056.12
PET CT Skull-Thigh - 78815	\$5,337.00	\$1,056.12
PET CT Whole Body - 78816	\$5,634.00	\$1,056.12

11. Section C., Economic Feasibility, Item 9

The table calculating gross charges for Radiation Therapy appears to be incorrect. Please recalculate and provide a replacement page if necessary.

The revised table is below.

Radiation Therapy - Gross Charges

	Year 1 - \$	Year 1 - %	Year 2 - \$	Year 2 - %
Medicare	\$18,399,028	60.1%	\$18,423,519	59.0%
TennCare		00.170		37.070
	\$2,602,192	8.5%	\$3,434,893	11.0%

12. Section C., Economic Feasibility, Item 11 a.

Please provide a response to question 11 a.

a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

The applicant had three options with respect to radiation therapy and PET/CT services:

- 1) Do nothing;
- 2) Renovate space on the main hospital campus; or
- 3) Relocate the services to the Columbia Mall site.

Options 1 and 2 are not feasible because there is not sufficient space on the main hospital campus to provide the type of comprehensive cancer center that the Columbia Mall site will provide. In addition, the new site is more convenient for patients.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

This project does not involve new construction; it involves the renovation of commercial space.

13. Section C., Contribution to Orderly Development, Item 1

Your response is noted. Please list all existing health care providers the applicant has or plans to have contractual transfer agreements with.

MRMC currently has transfer contracts to receive patients from the following health care providers:

Marshall Medical Center Behavioral Health Care Center Mr. Phillip Earhart July 30, 2013 Page 7

> Buffalo Valley, Inc Lincoln Medical Center Tennessee Imaging Alliance Trauma, LLC Surgery Center of Columbia.

MRMC currently has transfer contracts to send patients to the following:

St. Thomas Hospital Vanderbilt Medical Center.

14. Section C., Contribution to Orderly Development, Item 3

The applicant's hourly Registered Nurse rate of \$24.00 per hour is below the average Tennessee Workforce and Development agency rate of \$27.77 per hour. This is equal to 15.7% below the average RN wage. Please discuss the availability of Registered Nurses that will work below the average rate per hour for the proposed project. In your response please discuss the applicant's turnover rates for RNs.

MRMC does not have trouble recruiting RNs. The average hourly rate of \$24.00 per hour is specific to Radiation Therapy. The hospital wide average hourly RN rate is \$25.82. Additionally, the average hourly rate given is for full-time RN staff only. The rate does not represent Part-time or PRN hourly rates.

Hospital Wide

The hospital wide RN retention rate is between 91% and 93.6%. But more important is data gathered from the National Database for Nursing Quality Indicators (NDNQI). NDNQI compares RN controllable turnover rate nationally based on unit type. Turnover is either controllable or uncontrollable. Controllable turnover includes: compensation, inability to advance, staffing or workload, dissatisfaction with or conflict with team members, dissatisfaction with work environment, and perceived lack of respect. Losing RNs for these reasons is a negative in the Database. MRMC has consistently had a controllable turnover rate of zero.

The numerous awards received by MRMC in the past several years, some of which are listed in the application, are further evidence of the quality of staff at MRMC.

MRMC recently completed a salary survey, and the feedback was that MRMC's RNs were receiving comparable wages for the market area.

Radiation Therapy

The retention rate for radiation therapy RNs over the last four years has been 100%. The current radiation therapy RN's are expected to move to the new cancer center when the proposed project is completed.

15. Section C., Contribution to Orderly Development, Items 7 and 9

Please provide a response other than "n/a" to questions 8 and 9.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Not applicable. No such orders or judgments exist.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.

Not applicable. No such orders or judgments exist.

Sincerely,

David Thomas when I for

Director, Cancer Center

Variable	Giles Co.	Giles Co. Hickman Co.	Lawrence Co.	Lewis Co.	Marshall Co.	Maury Co.	Perry Co.	Perry Co. Wayne Co.	Williamson Co.	TN
2013, Age 65+	4,998	3,593	7,075	1,920	4,072	11,006	1,444	2,885	18,589	904,587
2015, Age 65+	5,227	3,789	7,383	2,052	4,314	11,760	1,501	3,053	20,689	960,158
Age 65+, % Change	4.6%	5.5%	4.4%	6.7%	5.9%	%6.9	3.9%	5.8%	11.3%	6.1%
Age 65+, % Total (2015)	17%	12.4%	16.9%	16.4%	13.5%	13.5%	19%	17.2%	10.5%	14.7%
2013, Total Population	30,229	26,100	43,007	12,306	31,287	85,130	7,842	17,524	188,259	6,414,297
2015, Total Population	30,559	27,297	43,666	12,537	32,016	87,283	7,907	17,736	196,824	6,530,459
Total Pop. % Change	1.1%	4.6%	1.5%	1.8%	2.3%	2.5%	0.8%	1.2%	4.4%	1.8%
TennCare Enrollees	5,292	5,340	8,503	2,547	5,611	14,464	1,844	2,826	8,445	1,192,483
TennCare Enrollees as a %	17.5%	20.5%	19.8%	20.7%	17.9%	17%	23.5%	16.4%	4.5%	18.6%
of Lotal Population										
Median Age	42.1	40.0	39.7	41.2	38.9	38.4	43.1	40.9	38.5	38
Median Household Income \$37,981	\$37,981	\$43,935	\$35,737	\$32,337	\$41,620	\$46,552	\$31,857	\$33,630	\$89,063	\$43,989
Population % Below	17.8%	13.7%	17.2%	19.8%	16.3%	14.8%	22.9%	20.9%	5.5%	16.9%
Poverty Level										

* Age data, other than median age, from Tennessee Dept. of Health Projections. * Median age, median household income, and percentage of population below poverty level from Census Bureau. * TennCare data from TennCare Bureau.

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in *July*.

			Year <u>2012</u>	Year <u>2011</u>	Year <u>2010</u>
A.	Utili	zation Data (patient days)	49,532	54,424	56,401
B.	Rev	enue from Services to Patients			
	1.	Inpatient Services	<u>\$246,286,860</u>	<u>\$256,190,608</u>	<u>\$252,883,954</u>
	2.	Outpatient Services	<u>\$354,693,037</u>	<u>\$304,888,933</u>	<u>\$279,336,434</u>
	3.	Emergency Services	\$47,793,056	<u>\$37,187,162</u>	<u>\$21,264,121</u>
	4.	Other Operating Revenue	<u>\$8,994,229</u>	<u>\$8,872,019</u>	<u>\$7,461,422</u>
		(Specify) <u>see chart below</u>			
		Gross Operating Revenue	<u>\$657,767,182</u>	\$607,138,722	<u>\$560,945,931</u>
C.	Ded	uctions from Gross Operating Revenue			
	1.	Contractual Adjustments	<u>\$380,521,119</u>	<u>\$345,440,628</u>	\$313,233,607
	2.	Provision for Charity Care	<u>\$11,717,923</u>	<u>\$12,852,150</u>	\$12,053,903
	3.	Provisions for Bad Debt	<u>\$25,946,254</u>	<u>\$23,212,355</u>	<u>\$24,963,079</u>
		Total Deductions	<u>\$418,185,296</u>	<u>\$381,505,133</u>	<u>\$350,250,615</u>
NET	OPE	ERATING REVENUE	<u>\$239,581,886</u>	<u>\$225,633,590</u>	<u>\$210,695,316</u>
D.	Ope	erating Expenses			
	1.	Salaries and Wages	\$119,474,327	<u>\$113,904,765</u>	\$111,205,121
	2.	Physician's Salaries and Wages	\$9,729,973	\$7,466,814	<u>\$5,825,031</u>
	3.	Supplies	\$47,480,886	\$44,107,074	<u>\$40,194,049</u>
	4.	Taxes	\$120,190	\$121,850	\$131,993
	5.	Depreciation	\$14,677,968	<u>\$15,662,303</u>	<u>\$14,527,462</u>
	6.	Rent	\$3,012,130	<u>\$3,024,838</u>	\$2,967,269
	7.	Interest, other than Capital	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
	8.	Management Fees:			
		a. Fees to Affiliates	<u>n/a</u>	n/a	<u>n/a</u>
		b. Fees to Non-Affiliates	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
	9.	Other Expenses (Specify) see chart below	<u>\$29,602,104</u>	<u>\$27,620,284</u>	<u>\$25,026,928</u>
		Total Operating Expenses	<u>\$224,097,578</u>	<u>\$211,907,928</u>	<u>\$199,877,852</u>
E.		er Revenue (Expenses) – Net (Specify) e chart below	<u>\$(2,961,526)</u>	<u>\$(2,235,528)</u>	<u>\$(2,404,013)</u>
NET		ERATING INCOME (LOSS)	\$12,522,782	\$11,490 <u>,134</u>	\$8,413,452
F.		ital Expenditures	<u> </u>	<u> </u>	
١.	1.	Retirement of Principal	\$3,910,000	\$3,845,000	\$5,330,000
	2.	Interest	\$717,518	\$994,767	\$1,367,257
	۷.	Total Capital Expenditures	\$4,627,518	\$4,839,767	\$6,697,257
NET	. ODE	ERATING INCOME (LOSS)	<u>Ψ1,027,010</u>	+ 1100011.01	<u> </u>
		APITAL EXPENDITURES	\$7,895,264	\$6,650,367	<u>\$1,716,195</u>

REVISED PROJECTED DATA CHART (Radiation Therapy)

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July.

			Year <u>2015</u>	Year <u>2016</u>
A.	Utili	zation Data (treatments)	<u>30,759</u>	31,374
B.	Rev	enue from Services to Patients		
	1.	Inpatient Services	\$833,587	\$850,259
	2.	Outpatient Services	\$29,780,436	\$30,376,045
	3.	Emergency Services	n/a	<u>n/a</u>
	4.	Other Operating Revenue N/A	<u>n/a</u>	<u>n/a</u>
		Gross Operating Revenue	\$30,614,023	\$31,226,303
C.	Ded	uctions from Gross Operating Revenue		
	1.	Contractual Adjustments	<u>\$19,176,624</u>	<u>\$19,560,156</u>
	2.	Provision for Charity Care	<u>\$520,438</u>	\$530,847
	3.	Provisions for Bad Debt	\$1,285,789	\$1,311,505
		Total Deductions	\$20,982,851	<u>\$21,402,508</u>
NET	OPE	ERATING REVENUE	\$9,631,172	<u>\$9,823,795</u>
D.	Оре	erating Expenses		
	1.	Salaries and Wages	<u>\$1,951,809</u>	<u>\$1,990,845</u>
	2.	Physician's Salaries and Wages	<u>n/a</u>	<u>n/a</u>
	3.	Supplies	\$328,003	<u>\$334,564</u>
	4.	Taxes	<u>n/a</u>	<u>n/a</u>
	5.	Depreciation	<u>\$845,110</u>	<u>\$845,110</u>
	6.	Rent	<u>\$36,850</u>	<u>\$36,850</u>
	7.	Interest, other than Capital	<u>n/a</u>	<u>n/a</u>
	8.	Management Fees:		
		a. Fees to Affiliates	<u>n/a</u>	<u>n/a</u>
		b. Fees to Non-Affiliates	<u>n/a</u>	<u>n/a</u>
	9.	Other Expenses <u>machine contract services, software, lease/rental, maintenance & repairs, utilities, and professional development</u>	<u>\$1,337,892</u>	<u>\$1,364,650</u>
		Total Operating Expenses	<u>\$4,499,664</u>	\$4,572,018
E.	Oth	er Revenue (Expenses) – Net (Specify)	<u>n/a</u>	<u>n/a</u>
NET	OPE	ERATING INCOME (LOSS)	\$5,131,508	<u>\$5,251,777</u>
F.	Сар	ital Expenditures	\$6,000,812	<u>n/a</u>
	1.	Retirement of Principal	<u>n/a</u>	n/a
	2.	Interest	<u>n/a</u>	<u>n/a</u>
		Total Capital Expenditures	\$6,000,812	<u>n/a</u>
		ERATING INCOME (LOSS) APITAL EXPENDITURES	(\$869,304)	\$5,251,777

PROJECTED DATA CHART (PET)

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in *July*.

				Year_2015_	Year <u>2016</u>
A.	Utilization Data (scans)			<u>354</u>	<u>364</u>
B.	Revenue from Services to Patients				
	1.	Inpatient Services		\$5,470	<u>\$5,635</u>
	2.	Outpatient Services		<u>\$1,881,231</u>	\$1,937,668
	3.	Emergency Services		<u>n/a</u>	<u>n/a</u>
	4.	Other Operating Revenue	N/A	<u>n/a</u>	<u>n/a</u>
			Gross Operating Revenue	<u>\$1,886,701</u>	<u>\$1,943,302</u>
C. Deductions from Gross Operating Revenue					
	1.	Contractual Adjustments		<u>\$1,254,468</u>	\$1,292,102
	2.	Provision for Charity Care		\$32,074	<u>\$33,036</u>
	3.	Provisions for Bad Debt		<u>\$79,241</u>	<u>\$81,619</u>
			Total Deductions	\$1,365,783	<u>\$1,406,756</u>
NET OPERATING REVENUE				\$520,918	<u>\$536,546</u>
D. Operating Expenses					
	1.	Salaries and Wages		<u>\$23,196</u>	<u>\$23,776</u>
	2.	Physician's Salaries and W	/ages	<u>n/a</u>	<u>n/a</u>
	3.	Supplies		<u>\$44,718</u>	<u>\$46,059</u>
	4.	Taxes		<u>n/a</u>	<u>n/a</u>
	5.	Depreciation		<u>n/a</u>	<u>n/a</u>
	6.	Rent		<u>n/a</u>	<u>n/a</u>
	7.	Interest, other than Capital		<u>n/a</u>	<u>n/a</u>
	8.	Management Fees:			
		a. Fees to Affiliates		<u>n/a</u>	<u>n/a</u>
		b. Fees to Non-Affiliates		<u>n/a</u>	<u>n/a</u>
	9.	Other Expenses equipment	lease_	<u>\$268,364</u>	<u>\$276,415</u>
			Total Operating Expenses	<u>\$336,278</u>	<u>\$346,250</u>
E. Other Revenue (Expenses) – Net (Specify)			<u>n/a</u>	n/a	
NET	NET OPERATING INCOME (LOSS)			<u>\$184,640</u>	<u>\$190,295</u>
F.	Capital Expenditures			n/a	<u>n/a</u>
	1.	Retirement of Principal		<u>n/a</u>	<u>n/a</u>
	2.	Interest		<u>n/a</u>	<u>n/a</u>
			Total Capital Expenditures	n/a	<u>n/a</u>
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES				\$184,640	<u>\$190,295</u>

AFFIDAVIT

STATE OF TENNESSEE
COUNTY OF Maury
NAME OF FACILITY: Maury Regional Medical Center
I, <u>David Thomas</u> , after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.
David Thomas Signature/Title
Sworn to and subscribed before me, a Notary Public, this the 29 day of July, 2013, witness my hand at office in the County of Mauru, State of Tennessee.
My commission expires May 24, 2017.
HF-0043
Revised 7/02 STATE OF TENNESSEE NOTARY PUBLIC

COPY-

Additional Information

Maury Regional Med. Ctr.

CN1307-026

Butler | Snow

2013 JUL 31 PM 1 28

July 31, 2013

VIA HAND DELIVERY

Mr. Phillip Earhart, Examiner Tennessee Health Services and Development Agency Frost Building, 3rd Floor 161 Rosa Parks Blvd. Nashville, TN 37243

Re: Maury Regional

Dear Mr. Earhart:

Enclosed please find the full-page newspaper notice for Maury Regional Medical Center.

Very truly yours,

BUTLER, SNOW, O'MARA, STEVENS AND CANNADA, PLLC

Sarah L. Tally

Enclosure

17189599ButlerSnow

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T - State Bar No: 226694 NDRA H, DEMENT 1: 740 5113 -1444

R COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SONOMA

atition Of) CASE NO.: SFL 63431
CH and)
to Declare)
NCH, a Minor, to Be) CITATION TO PARENT
and Control)

E STATE OF CALIFORNIA

H

CH

urt you are hereby advised that you may appear beng in Department 23 of this court located at 3055
nta Rosa, CA 95403 on July 31, 2013, at 8:30 a.m.,
cause, if any you have, why MAKAYLA ADRIAN
not be declared free from your custody and control
ing MAKAYLA ADRIAN FEIR MINCH for placethis hearing you are required to give any legal reason
ed in the verified application attached to and served
filed with this court, should not be granted.

rmation concerns rights and procedures that relate to termination of custody and control of MAKAYLA IH as set forth in Family Code Section 7860 et seq.; g of the proceeding the court will consider whether AKAYLA ADRIAN FEIR MINCH do require such will appoint counsel to represent her, whether or not nunsel.

AKAYLA ADRIAN FEIR MINCH appears without to afford counsel, the court must appoint counsel for parent knowingly and intelligently waives the right to usel. The court will not appoint the same counsel to YLA ADRIAN FEIR MINCH and her parent.

appoint either the public defender or private counsel. Spointed, he or she will receive a reasonable sum for enses, the amount of which will be determined by the ust be paid by the real parties in interest, but not by portions as the court believes to be just. If, however, of the real parties in interest cannot afford counsel, d by the county.

continue the proceeding for not more than 30 days as counsel and to enable counsel to become acquainted

GET THE MOST \$\$\$ for Your Old Junk Cars or Vans By Calling Mike. (931)212-3718. FOR ALL YOUR CLASSIFIED NEEDS CALL 388-6464

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Tennessee Health Services and Development Agency ("Agency") and all interested parties, in accordance with T.C.A. See 68-11-1601 et seq., and the Rules of the Agency, that Maury Regional Hospital d/b/a Maury Regional Medical Center, a hospital owned by Maury County, TN, intends to file an application for a Certificate of Need to clocate two linear accelerators and a mobile positron emission tomography scanner from the main hospital campus to Maury Regional Cancer Center, at 808 South James Campbell Boulevard, Columbia, TN, 38401 Maury Regional Medical Center will also replace one of the linear accelerators. The project will require approximately 10,736 square feet of renovation construction. The project will not result in an increase of licensed hospital beds or the initiation of any service requiring certificate of need. The total project cost is estimated to be \$7,742,231, Maury Regional Medical Center is located at 1224 Trotwood Avenue, Columbia,

The anticipated date of filing the application is July 12, 2013. The comact person for this project is David Thomas, who may be reached at Maury Regiona Medical Center, 1224 Trotwood Avenue, Columbia, TN, 33401, (931) 380-4057.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency Andrew Jackson Building 500 Deaderick Street, Suite 850 Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(l), (A) any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and

(B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

July 8 1tc